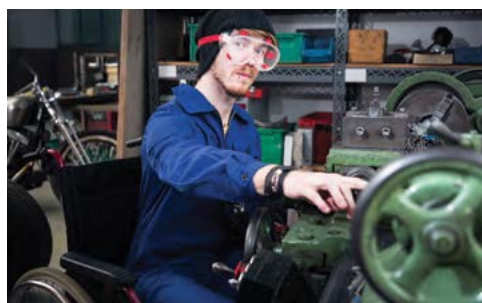


# MONITORING POVERTY AND SOCIAL EXCLUSION IN SCOTLAND 2015

Peter Kenway, Sabrina Bushe,  
Adam Tinson and Theo Barry Born



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Peter Kenway, Sabrina Bushe, Adam Tinson and Theo Barry Born

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The larger group, mostly unknown to us personally, are all those other people whose plans and actions to address poverty are reflected in this report. Everything remains to be proved: potential must be realised, words turned into deeds. Ill-health aside, there is little that is specifically Scottish about what is reported here. Working across the United Kingdom, we see no reason why people outside Scotland should not take encouragement from it.

Naming names, we start by thanking our project advisory group, for their thoughts both in advance and arrears and for their detailed comments on a challenging early draft. They are: Jackie Brock of Children in Scotland; John Dickie of Child Poverty Action Group Scotland; Martin Johnstone of Faith in Community Scotland; Robert McGregor of Fife Council; Sara Dodds of The Glasgow Centre for Population Health; Fiona Duncan of Lloyds TSB Foundation for Scotland; Satwat Rehman of One Parent Families Scotland; Karen Davidson of Scottish Business in the Community; Vince McKeown of the Scottish Council for Development and Industry; Steven Boyd of Scottish Trade Unions Congress; Alison Watson of Shelter; and Aleks Collingwood, Frank Soodeen and Jim McCormick of the Joseph Rowntree Foundation.

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## Introduction

This is the seventh in a series of reports which started in 2002 monitoring poverty and social exclusion in Scotland. Like its predecessors, this report presents a selection of statistics. These statistics usually show either how something has changed over time or how it varies within Scotland at a point in time. A few compare Scotland with England. But this report is the first to offer more than just statistics as evidence. Of the 42 indicators in this report, 10 portray actions or initiatives to address poverty which are either being talked about seriously, actively planned or put into action by Scottish organisations, from the Scottish government itself to groups of people with direct experience of poverty. Action on this scale should appear alongside the statistics.

There are two other reasons why we have chosen to highlight these actions. One is to support them by promoting awareness in a wide-ranging report like this. The other is to lay down a challenge, putting them on record in the hope of increasing the pressure to turn good words into deeds.

Immediately after the independence referendum, it seemed that the proposals for constitutional reform that would flow from the Smith Commission would be the focus of this report. That has not turned out to be the case. One reason is timing: the draft legislation is a matter for the next UK parliament and the possibilities that that legislation opens up are for the next Scottish parliament. Another reason is that a focus on new powers detracts from the question of how existing powers are being used. Gaining new powers is one thing; whether they are used and how is quite another. How existing powers are used may be the best guide to how new powers might actually be deployed.

The latest Programme for Government, and especially the First Minister's speech introducing it, offers encouragement on poverty. But poverty and exclusion have been taken seriously by new Scottish governments before. *Social Justice: a Scotland where everyone matters* (Scottish Executive, 1999) from which the Scottish social justice strategy grew, was published in 1999. For several years after 2007, *Achieving our Potential* (AoP) (Scottish Government, 2008a) was understood to be the 'poverty lens', as the Tackling Poverty Board put it, of the shared national and local government social policy framework. Our 2010 report pointed to gaps in AoP – but there has to be something there in the first place for there to be a gap in it; since 2010 AoP has faded into the background and the Tackling Poverty Board has not met since before the 2011 election.

Following the creation of a child poverty strategy in line with the 2010 UK Child Poverty Act, a ministerial advisory group on child poverty was established at the end of 2012, chaired by the then Deputy First Minister. This group last met in August 2014. However well-developed, a child poverty strategy cannot but be narrower than the AoP's all-age strategy.

Since 2010, 'mitigating the effects of welfare reform' has become very prominent as an idea in Scotland. Much has flowed from this and some of it is reflected in the anti-poverty initiatives described in this report. Together with the statistics, this report tries to describe where poverty and exclusion now stand in Scotland.

## Summary

### Statistical overview

The statistics in this report support three broad conclusions. First, policy sustained over several years can make a big difference, both for good and bad. Second, many aspects of poverty and exclusion remain static and/or continue to betray deep differences in likely outcomes according to the level of deprivation. Third, some key aspects of the problem are changing.

Statistical evidence of the effects of sustained government policy include:

- the steep fall in pensioner poverty and the smaller, but still marked, fall in child poverty since the late 1990s, helped by UK government policy around tax credits and Child Benefit on the back of steadily rising levels of employment;
- lower housing costs in Scotland than England which in the social rented sector reflect Scottish policies and which in all tenures contribute to Scotland's lower overall poverty rate;
- the very low value of means-tested benefits for working-age adults when measured against the Minimum Income Standard;
- the large and sustained rise in the number of Jobseeker's Allowance claimants referred for a sanction due to UK government policy.

Further examples include poorer households being spared Council Tax and having the possibility of being spared the under-occupation penalty<sup>1</sup> (typically called the bedroom tax, by people affected by it as well as politicians in Scotland). Official poverty statistics for the relevant period (from 2013) which would show their effects are yet to be published.

Statistical evidence which points to slow progress and persistent wide gaps directly related to low income or other measures of deprivation include:

- rates of premature mortality which lag at least 15 years behind those of England along with differences in life expectancy between the two countries which grow steadily as the level of deprivation rises;
- educational outcomes, measured here by the level of area deprivation, and the slow rate of progress in addressing them;
- the scarcity of information on educational outcomes by the deprivation level of the household (as opposed to the area), suggesting that it has not been a priority until very recently;
- disadvantage at work, whether the lowly status of part-time work, the greater likelihood of a disabled person being low-paid than someone else with the same qualifications, or the way that opportunities for in-work training tend to favour those with higher qualifications;
- the lack of any sustained progress towards the solidarity target of increasing the share of income going to the poorest three-tenths of the population.

Statistical evidence which shows that the shape of the problem of poverty and social exclusion is changing include:

- a shift towards a greater share of those who are poor being younger adults and a greater share living in the private rented sector;
- an increasing proportion of low-paid employees having university degrees or higher educational qualifications.

The latest year's statistics, for 2012/13, show an upturn in child and working-age poverty rates. On the one hand, little weight can be put on one year of data. On the other, it is essential to be vigilant to the possibility that it does indeed mark the start of a turn for the worse which, if left unchecked, would squander the gains Scotland has made over 15 years.

## Initiatives to address poverty

This report also records evidence of a range of initiatives to address poverty in Scotland. These have been given prominence in this report:

- the priorities of the Poverty Truth Commission and the Glasgow Poverty Leadership Panel, along with supporting actions;
- local authority and Community Planning Partnerships initiatives to reinvigorate local action to address poverty in Renfrewshire, Fife and Dundee;
- the testimonies of frontline GPs regarding the early effects of welfare reform as well as national and regional level NHS responses aimed at mitigating its effects;
- business initiatives to address poverty or disadvantage, along with the Scottish government supported initiative to increase the number of Living Wage accredited businesses.

These initiatives are only now emerging and are still far from the norm, but represent values and priorities in Scotland. It's essential that they make an impact.

## Challenges

Based on the evidence here, this report identifies these immediate challenges.

- Ensuring that each of the three sets of initiatives about in-work poverty (a key government priority), the NHS outcome-focused plan and the local poverty or fairness commissions, are not just words but produce tangible outcomes for people in poverty.
- Responding to each of the three key findings from the statistics, to do with the changing face of poverty (younger and in the private rented sector), the still peripheral place of education in action against poverty, and the barriers and disadvantages faced by disabled people and their families.
- Responding to what we have been told time and again is the worst thing about welfare reform, namely the tougher sanctions regime, by providing the utmost practical support to every claimant for as long as the system continues to be administered as it is now.

## Chapter 1

### Background

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## Choice of indicators

20 years ago, the existence of poverty in modern Britain was still disputed. One of the things that made this view ever harder to hold as the 1990s drew to a close was a growing body of official statistics on household incomes. Drawing on annual surveys of thousands of households, these statistics painted a detailed picture not just of how many people lived in low-income households but also of what those households looked like – how many children, working-age people or pensioners; who was working; who was disabled; whether they were owner-occupiers or tenants; which part of the UK did they live in, and so on. Combined with a European poverty line which used country-specific average income, this gave birth to official statistics on UK poverty.

Such statistics have their shortcomings. For example, if the latest data suddenly shows something interesting, it must be treated with caution until still later data corroborates it. Even so, the statistics are invaluable. Political debates about many aspects of social policy are framed by them. Without them ending child poverty could not have become the goal it did after 1999. Nor could it have been recognised that poverty was just as much something faced by working families as by non-working ones. Indicator 1 shows the value of the poverty line, with supporting information to help assess its reasonableness.

However, the weight of these official statistics increases the confusion between how poverty is measured and how it is defined. When poverty studies were revived in the 1960s (as it became clear that the problem had not been abolished by the welfare state) poverty was described by Peter Townsend (1979), who led the revival, as the condition of having too few resources to be able to follow 'ordinary living patterns, customs and activities'.

Low income is a proxy for the financial side of his definition, but poverty is not just financial. Illness or disability, low quality and insecure housing, adverse outcomes at school, diminished rights (and the means to exercise them), isolation and stigma are all woven into poverty. Reducing poverty to pounds and pence turns it into an economic problem about work, benefits and costs. This absolves providers of services such as health, education and housing of responsibility, except insofar as they have an economic impact. Poverty, and the responsibility for it, is narrowed.

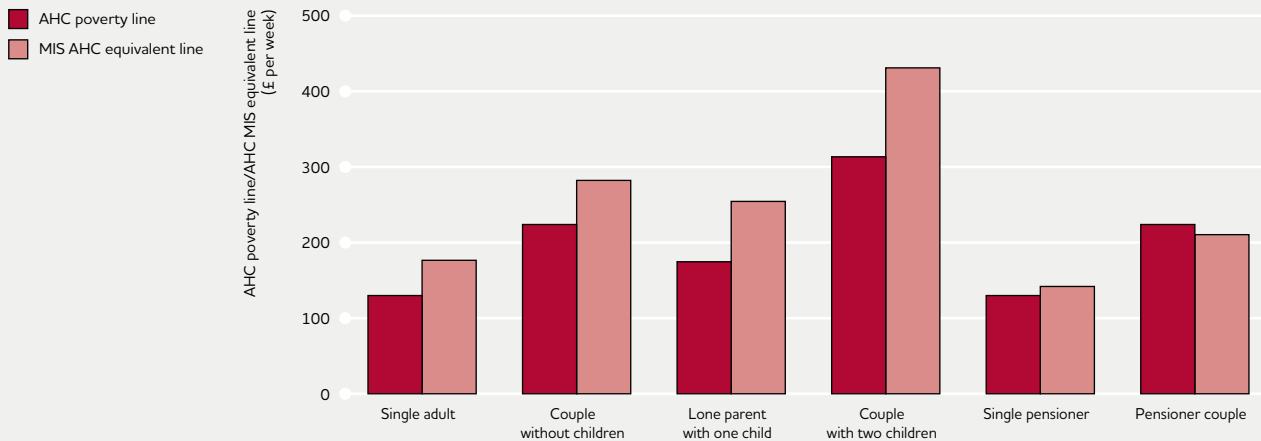
The other indicators in this chapter counter this narrowing. Indicators 2 and 3 present the perspectives and priorities of two groups with direct experience of poverty. The Poverty Truth Commission contains many people who have direct experience of poverty themselves. The Deep End Network, an independent network of 100 general practices in very deprived areas in Scotland, provides testimony about the effects of welfare reform.

Indicator 4 shows the long-term trends in housing tenure. It reflects our belief that with a sound, secure and affordable place that really is home, people find it easier to endure, and recover from, spells of low income.

## The measurement of poverty: the income poverty line

### Indicator: 1

The value of the low-income 'poverty line' for working-age families is between £50 and £100 a week below what the public judge necessary for an acceptable minimum standard of living (MIS).



Source: Households Below Average Income, DWP; Minimum Income Standard, Centre for Research on Social Policy. The AHC poverty lines are for 2012/13 and the MIS line is an average for 2012 and 2013.

- The Minimum Income Standard (MIS) is based on what members of the public judge to be the goods and services needed to provide a minimum socially acceptable standard of living. It is used to calculate the value of the national Living Wage. The MIS is not intended as an alternative estimate of the poverty line. It is used here to provide a standard against which to judge the reasonableness of the poverty line.
- This indicator shows the value of the poverty line and the MIS in pounds per week for several family types. This version of the poverty line applies to income after housing costs, principally rent or mortgage interest, have been deducted. On this measure, someone is in poverty if their household income is below the poverty line.
- By convention, the poverty line is set at 60 per cent of median household income. Household incomes are 'equivalised', that is, adjusted to reflect the fact that larger households need more money than smaller ones to reach the same standard of living. Incomes are obtained from Households Below Average Income, an official, UK-wide annual survey of households. The most recent published statistics are for 2012/13, the year before welfare reforms such as the under-occupation penalty were introduced.
- The poverty line equals:
  - £130 a week for a single working-age adult or pensioner
  - £175 for a lone parent with a child under 14
  - £224 for a working-age or pensioner couple
  - £314 for a couple with two children under 14.

For the working-age family types here, the poverty line is between 69 and 79 per cent of the corresponding MIS. For pensioners it is higher: 92 per cent for single pensioners and six per cent above the MIS for pensioner couples.

## The experience of poverty: the Poverty Truth Commission

Indicator: 2

The priorities of the Poverty Truth Commission highlight the sharpest aspects of poverty as it is experienced.






Sources: [www.faithincommunityscotland.org/poverty-truth-commission](http://www.faithincommunityscotland.org/poverty-truth-commission); attendance at PTC hearing, Glasgow, October 2014; conversations and semi-structured interviews with commissioners and PTC team members.

- This indicator shows the priorities for action of the Poverty Truth Commission. In researching this report, we took part in two specially convened discussions with members of the PTC as well as attending a PTC 'conversation' as a guest.
- The current priorities were selected in December 2014. The first – the cost of school – covers a range of issues, from peer pressure over clothing to costs imposed by schools, for example admission to a school play or Christmas show. It was proposed as a priority by two young commissioners. The pressure around clothing reflects the shame of being poor (see *Kost of Kicks*, Poverty Truth Commission <https://vimeo.com/114057613>).
- Food banks as charity are seen as an inadequate response when what is at stake – to eat – is enshrined in international law as a human right. We were told that some people are starting to speak about food now in a different way now, keeping some of it back, perhaps for fear of a future sanction which will further affect their ability to afford basic goods.
- Commissioners believe that dignity underpins much of all this: dignity featured in an earlier round of priorities when the focus was on adverse media portrayals of poverty. The experience of Job Centre Plus is pivotal here. We were told that people were scared to go: there were security guards at the door, no privacy, and threats of sanctions. After a face-to-face interview, the only way to ask a question is by phone. In addition to the cost, this carries the risk of the call being ended if the call centre doesn't like the caller's attitude or tone.

## The experience of poverty: general practitioners' testimonies

Indicator: 3

The testimonies and conclusions of GPs in very deprived areas confirms the damage being done to people by a programme of welfare reform dating back to 2007.

<b>Who</b> <b>The Deep End Network:</b> an independent network of 100 general practices in very deprived areas in Scotland 	<b>What</b> <b>Responses to:</b> 'How have current austerity measures affected your patients and practice in the last week?' (Feb 2012) Reports published by Glasgow University 	<b>Findings</b> Patients' deteriorating mental health Patients facing a choice between heating and eating Impacts on the practice workload Crisis work displacing structured work 
Later reports (2013, 2014) concluded that: Work Capability Assessment needs to be overhauled; Employment and Support Allowance should be built on an ethos of support; resource allocation must recognise that these problems fall disproportionately on GPs in very deprived areas		

Sources: [www.gla.ac.uk/researchinstitutes/healthwellbeing/research/generalpractice/deepend/#background](http://www.gla.ac.uk/researchinstitutes/healthwellbeing/research/generalpractice/deepend/#background) especially Deep End Reports 16, 21 and 25; semi-structured interview with Scottish Public Health Network.

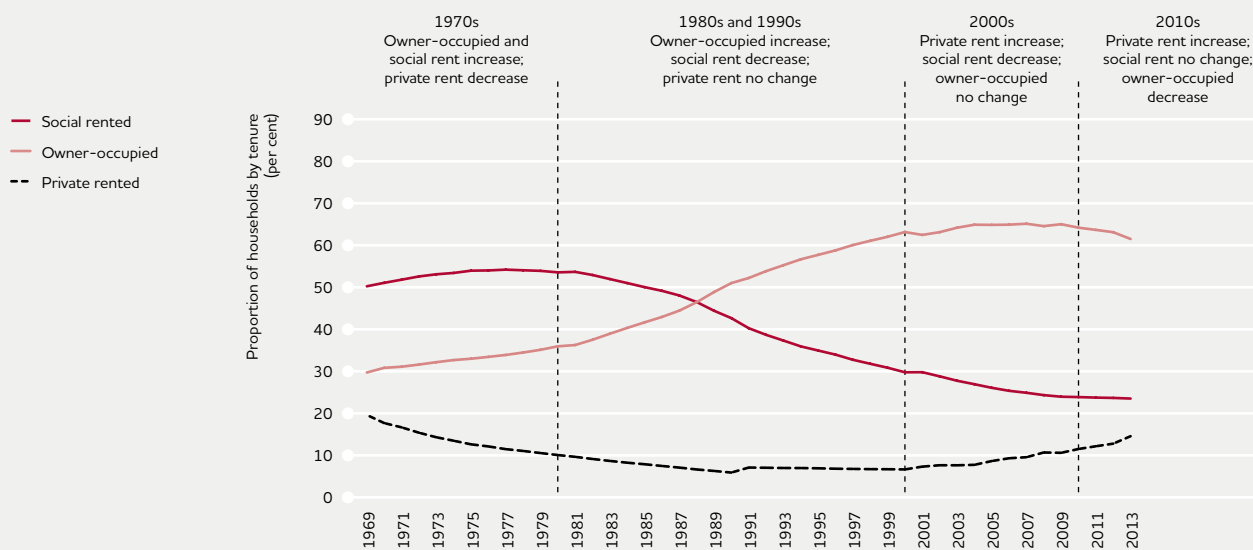
- This indicator shows findings from the reports of the Deep End Network which offers a general practitioner view of the impacts of social security reforms dating from the introduction of the Employment and Support Allowance (ESA) and the Work Capability Assessment (WCA) in 2007. The reports referenced here contain around 25 patient case studies provided by GPs.
- Deteriorating mental health includes both those in work but under increasing stress (due to cutbacks, insecurity and working longer) as well as those with chronic mental health issues and established physical problems who are now deemed fit for work and having their benefits cut. Deep End Report 16 goes on to describe patients struggling to make ends meet, self-medicating with drugs and alcohol and reliant on antidepressant/antipsychotic medicines.
- The same report goes on to note how physical health can also suffer when patients are reluctant to take time off work (due to job insecurity) and when patients prioritise getting enough money to both eat and keep warm over their physical problems. GP teams in deprived areas attempt to identify patients with financial problems, signposting and referring them to advice centres. GPs recognise that they may need advice themselves on the benefits system or the support services available.
- Experience shows how extended family members' 'spare' bedrooms allow an aunt, sister or grandmother to take children informally into care, often within walking distance of home and school. The under-occupation penalty may serve to undermine the value of these family ties, at unknown cost.
- The GPs recognise the system of sanctions in ESA as punitive and damaging to vulnerable people's health. The WCA is at the heart of this failure.



## Trends in housing tenure

### Indicator: 4

### Tenure trends by decade: what's new about this decade.



- This indicator shows the share of the housing stock in Scotland in the social rented sector, the private rented sector and in owner-occupation. Starting in the 1970s, each decade is characterised according to how these tenure shares in Scotland were changing.
- Scotland has historically had a large social housing stock which rose to a peak of 54 per cent of all households in Scotland in the mid-1970s. By comparison, the peak in England was 31 per cent. The share of social housing has been falling steadily since 1981. During the 1980s and 1990s, this fall was matched by a rise in owner-occupation which became the majority tenure in 1990 and reached a peak during the mid-2000s of 65 per cent.
- As the growth in owner-occupation slowed in the 2000s, the continuing fall in social renting began to be matched by a rise in private renting. During the 1980s and 1990s, it had remained static at about 7 per cent but by 2013 it had more than doubled to 15 per cent. Although still the smallest of the three sectors, it is the only one whose share is rising. Since 2010, however, that rise has been at the expense of owner-occupation rather than the social sector.
- Whereas in England the private rented sector is now bigger than the social rented sector, Scotland is still far from that position. Although the private rented sector's share has been rising for two decades, it's still below where it was at the end of the 1960s.
- Since the beginning of the current decade the share of social rented housing has remained at 25 per cent and it is likely to remain at this level as the 2014 Housing Scotland Act ended Right To Buy. Over the last five years the share of owner-occupation has begun to fall, countered by continued growth in private renting.

## Chapter 2

### Low Income

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## Choice of indicators

Five of the six indicators in this chapter use the official data on low income to paint a series of pictures showing the scale of poverty in Scotland alongside who is affected. While the first looks at the mountain-like profile of poverty rates over time, the others close in on particular features. These indicators record facts that are important in their own right. But they also play other roles.

The first is to confirm and reassert that big change is, indeed, possible: that the levels of poverty measured this way are neither immutable nor, above some residual minimum, unavoidable. This is the role of indicator 5 which shows the poverty rates over time for children, working-age adults and pensioners. These changes reflect, for the most part, the impact of UK government policy over a long period.

It is important to note that as the official data only goes up to 2012/13, the graph only covers the first half of the life of the UK Coalition Government. Therefore it does not reflect the impact of the Welfare Reform Act which came into effect in April 2013.

Indicators 6 and 9 highlight recent and continuing trends, with indicator 6 showing how the number of people in poverty has changed over a decade, including a detailed breakdown within the 16 to 64 age group, and indicator 9 showing the 10-year change in the poverty numbers by housing tenure and (broad) age group. This is not just recording a historical fact but also flagging a trend which will continue if unchecked.

Indicator 7, showing both the poverty and 'deep' poverty rates for families containing a disabled adult, adjusts the official statistics by excluding Disability Living Allowance from income. It does this on the grounds that DLA is paid to meet the *additional* costs of disability. This adjustment levels the playing field. There may be no graver indicator in this report.

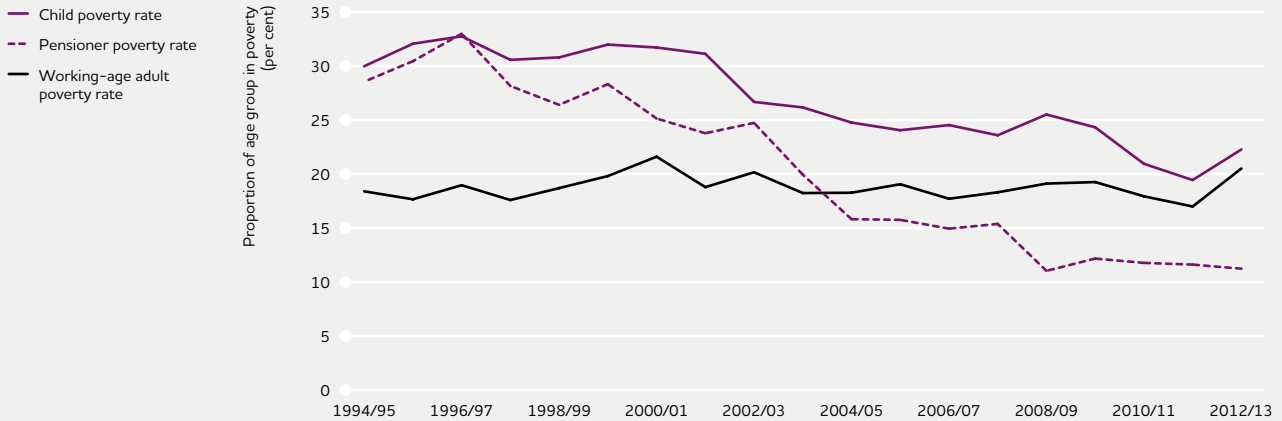
Indicator 8, which breaks the poverty numbers down by age and work status of the family, provides the starting point for the investigation of in-work poverty later in the report (see Chapter 7). Indicator 9 does a similar job for housing (see Chapter 9).

Finally, instead of using the official statistics, indicator 10 reflects the findings of a Poverty Leadership Panel survey of public sector employees in Glasgow on the extent of poverty among the members of the public they come into contact with in their work. Conducted in a way that made the answers comparable with those from *British Social Attitudes*,<sup>2</sup> it shows how Glasgow is different.

## Poverty rates over time: children, working-age, pensioners

### Indicator: 5

Since the mid-1990s, the child poverty rate in Scotland has come down by a third while the pensioner poverty rate has come down by nearly two-thirds.



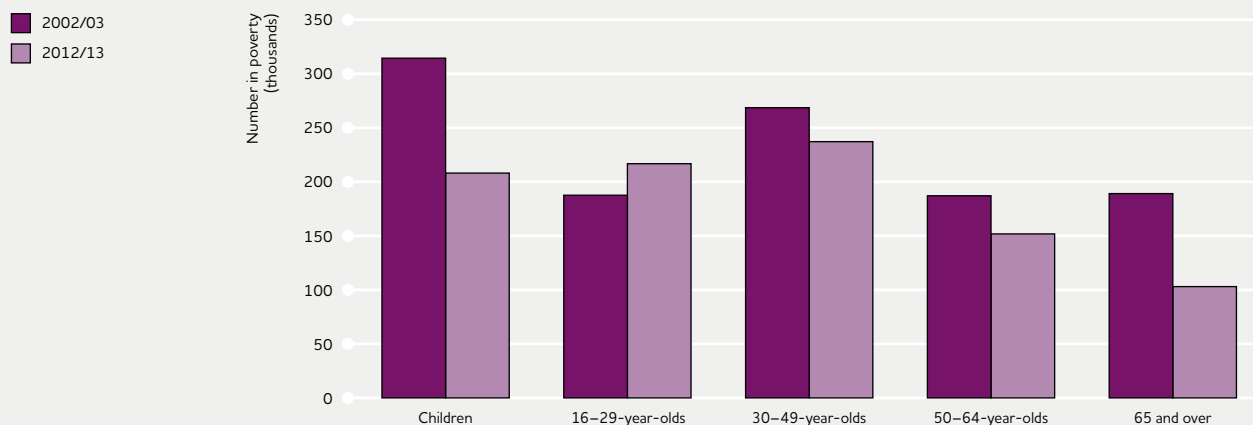
Source: Households Below Average Income, DWP

- This indicator shows the poverty rates for children, working-age adults and pensioners. The measure of income is after housing costs have been deducted. The values of the poverty line for selected family types are shown in indicator 1.
- In 2012/13, one million people in Scotland were living in poverty: 220,000 children, 660,000 working-age adults; and 120,000 pensioners. The total represents 19 per cent of the population. The age group poverty rates were 22 per cent for children, 21 per cent for working-age and 11 per cent for pensioners.
- The overall poverty rate was at a peak in 1996/97, at 25 per cent. In that year, both the child and pensioner poverty rates stood at 33 per cent. The working-age rate was 19 per cent. So over the following 16 years, pensioner poverty came down by two-thirds and child poverty by one-third; working-age poverty went up. The pensioner poverty rate is now very similar to the rate for working-age adults in work.
- The child and working-age poverty rates both show an increase in 2012/13 of around three percentage points. These jumps are noticeable but until data for 2013/14 is published it is possible that they may just be correcting an anomalous fall in 2011/12.
- When broken down by family type, the most striking trend is the drop in the poverty rate for lone parents, from around 60 per cent in the 1990s to 33 per cent now. The steep rise in the lone parent employment rate over this period, along with the introduction of tax credits, is likely to lie behind this.
- Data from Households Below Average Income on the poverty rate for minority ethnic groups is very limited. Over the three years to 2012/13, the poverty rate for all non-white groups in Scotland combined was about double the 17 per cent rate for the white group.

## Poverty numbers over time: children; young, middle and old working-age; pensioners

### Indicator: 6

There are more 16 to 29-year-olds with a low income than a decade ago; in all other age groups the number has fallen.



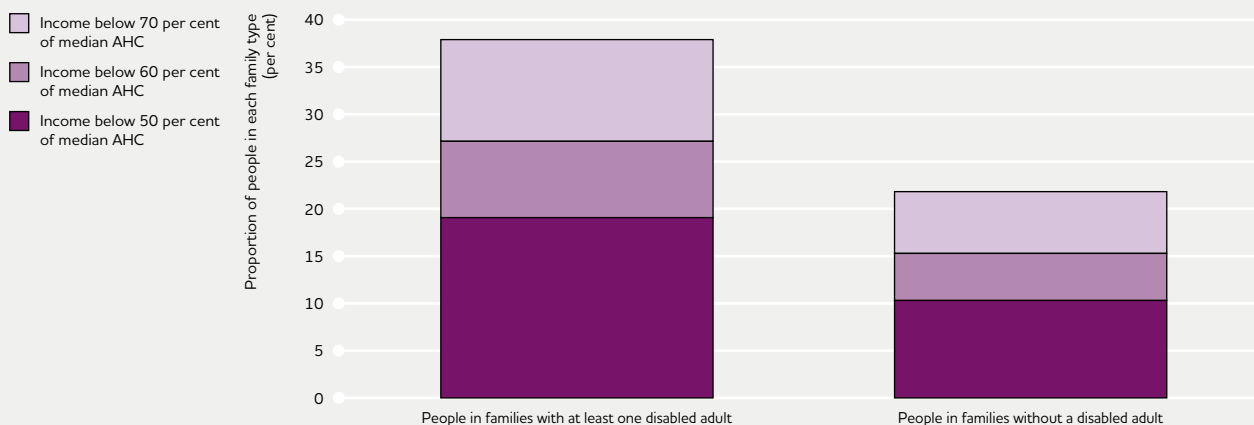
Source: Households Below Average Income, DWP; The data is a three-year average to 2012-13

- This indicator shows the number of people in poverty divided into five age groups and comparing the three years to 2012/13 with a three-year average a decade earlier. The measure of income used is the same as in indicators 5, 8 and 9. Those aged 16 to 19 who are still in full-time education are counted as children.
- In the three years to 2012/13, an average of 920,000 people were in poverty. This was 230,000 lower than in the three years to 2002/03. Four of the five age groups shown also recorded a fall: children by 106,000; 30 to 49-year-olds by 31,000; 50 to 64-year-olds by 35,000; and the 65 and over age group by 86,000. By contrast, the number of 16 to 29-year-olds in poverty rose by 29,000.
- These changes reflect changes in the poverty rates by age and the size of the age groups. Between the two periods, the population grew by 250,000. This growth was restricted to the 16 to 29 and 50-plus age groups. The number of children and the number of 30 to 49-year-olds fell. Population change affects the scale of the changes shown but not the basic story since 16 to 29-year-olds was the only group to see an increase in its poverty rate.
- Driven by the fall in pensioner poverty, the adult face of poverty is becoming younger across the UK. But it is younger still in Scotland. In the rest of the UK, 16 to 29-year-olds made up 20 per cent of those in poverty, while the 65 and over age group made up 10 per cent. In Scotland, the 65 and over age group made up 11 per cent while 16 to 29-year-olds made up 24 per cent.

## Poverty and deep poverty rates: families with a disabled adult

### Indicator: 7

Discounting DLA and AA, people in families with a disabled adult are twice as likely to have a very low income – and nearly twice as likely to have a low income overall.



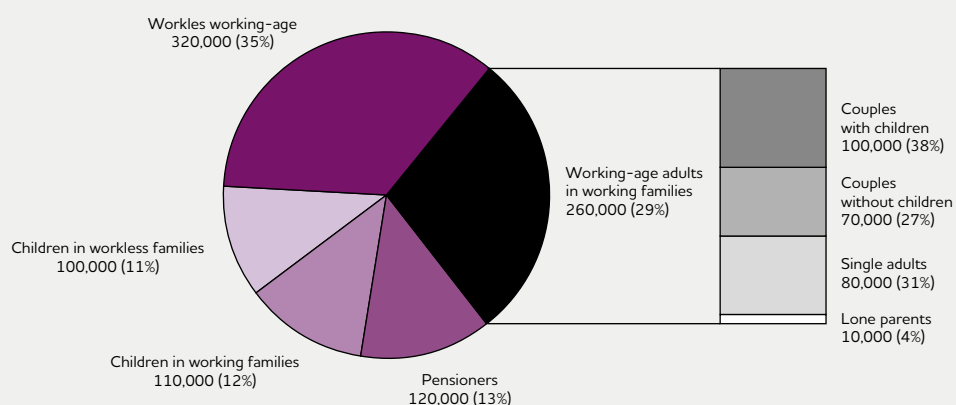
Source: Family Resources Survey, DWP; the data is a three-year average to 2012/13. Income excludes benefits intended to meet extra costs; i.e. Disability Living Allowance and Attendance Allowance

- This indicator shows the proportion of people in (equivalised) household incomes below 50 per cent (deep poverty), 60 per cent (poverty) and 70 per cent of median income and divided between those who have at least one disabled adult in their family and those who don't. The data is for the three years to 2012/13.
- The measure of income used is the same as in indicators 5, 6 and 9 but with Disability Living Allowance (DLA) and Attendance Allowance (AA) removed from household income. The rationale for this is that DLA and AA are awarded to meet the higher cost of living faced by people with disabilities. As these higher costs are not taken into account in calculating the poverty line, it is reasonable not to include the benefits given to help meet those costs either.
- Measured this way, 27 per cent of people with a disabled adult in their family are in poverty. This compares with 15 per cent for families who have no disabled adult. 38 per cent of people with a disabled adult in their family have an income below 70 per cent of median income. For those without a disabled adult, it is 22 per cent. The deep poverty rate – those below 50 per cent of median income – is 10 per cent for those without a disabled adult and 19 per cent for those with: almost double.
- There are two conclusions. First, the usual poverty statistics, which treat DLA and AA as simple additions to income, understate the poverty rate among disabled people and their families. Second, the transition from DLA to the Personal Independence Payment will probably show its effect in the poverty statistics.

## Poverty numbers by family work status: children, working-age, pensioners

Indicator: 8

More than 40 per cent of all those with a low income belong to working families; two-thirds of the adults in this situation are in a couple rather than single.



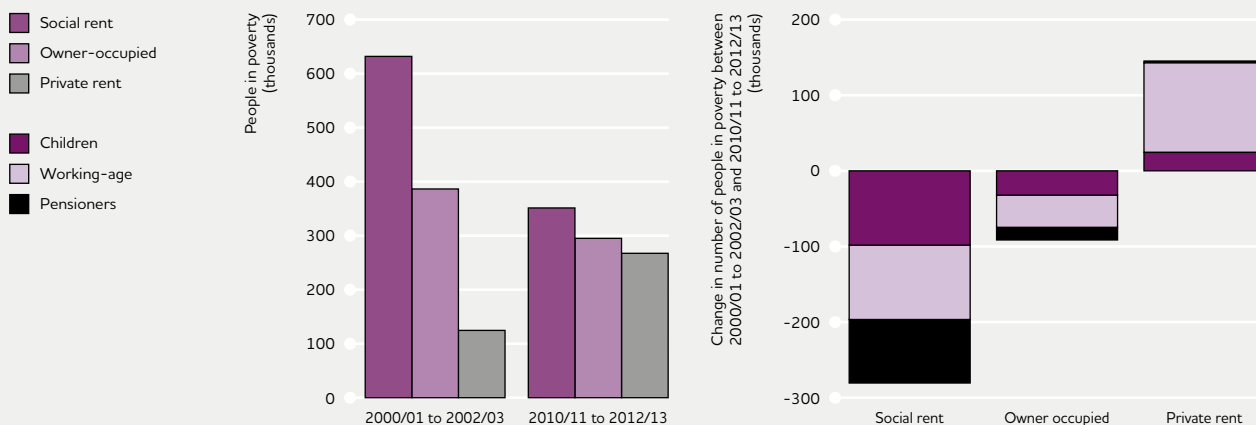
Source: Households Below Average Incomes, DWP; the data is a three-year average to 2012/2013

- This indicator shows the proportion of people in poverty by whether they are children, working-age adults or pensioners as well as whether the family they are in is working. Working-age adults in working families are further sub-divided according to whether there are one or two adults in the family and whether they have dependent children. The measure of income used is the same as in indicators 5 and 6. The data is for the three years to 2012/13.
- Of the 920,000 people in poverty in this period, 23 per cent were children, 64 per cent were working-age adults and 13 per cent were pensioners. Looking at it a different way, 41 per cent were working-age adults or children in working families while 46 per cent were working-age adults or children in families who were not working.
- The 260,000 working-age adults in working families make up the adult part of in-work poverty. 65 per cent of them are in couples, the majority of whom (just under three-fifths) have dependent children. The other 35 per cent live as single adults, the great majority of them (five-sixths) without dependent children.
- These numbers point to the complexity of in-work poverty viewed from the point of view of the employer. Outcomes for the 65 per cent who are in couples could depend on the decisions not of one employer but two. Those with children are a substantial minority (42 per cent) of working-age couples. Not just childcare, but the commitments and pleasures of life with children, is bound to be a complicating factor too.

## Poverty numbers over time by housing tenure: children, working-age, pensioners

### Indicator: 9

Over ten years, the number of people in poverty in the social rented sector has come down sharply whereas the number in the private rented sector has risen sharply. The rise – but not the fall – is concentrated among people of working age.



Source: Households Below Average Income, DWP.

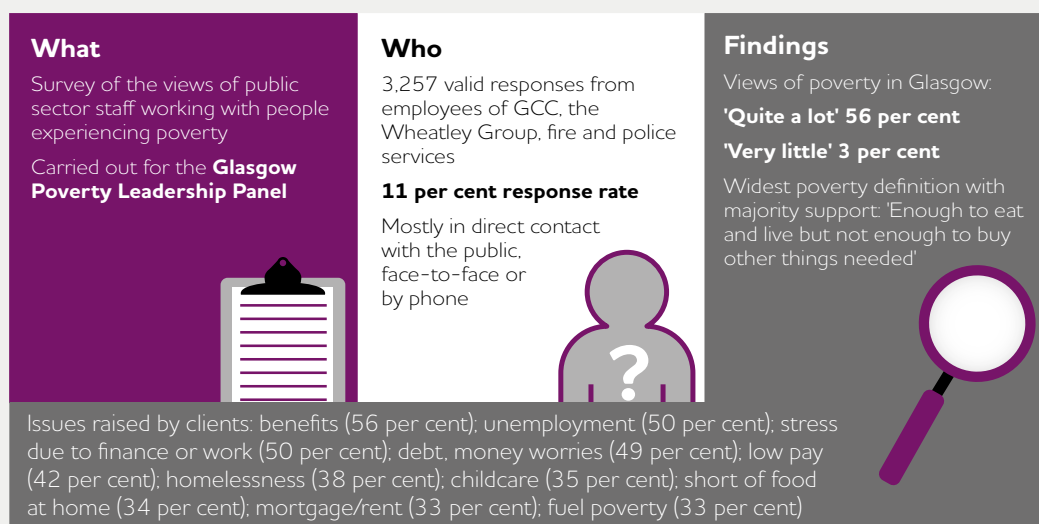
- This indicator shows the number of people in poverty in the three years to 2002/03 and the three years to 2012/13 by their housing tenure: social renting, private renting or owner-occupation. It also shows how the change between the two periods in each of the three tenures is broken down between children, working-age adults and pensioners. The measure of income used is the same as in indicators 5, 6 and 8.
- Over the ten-year period, the total number of people in poverty fell by 230,000. The number fell by 280,000 in the social rented sector and 90,000 in the owner-occupied sector. But among those in the private rented sector, the number rose by 140,000.
- The fall in the social rented sector was almost evenly divided between children, working-age adults and pensioners. The fall among owner-occupiers had a higher proportion of working-age people and a smaller proportion of pensioners, although it was still around a fifth. But the increase in the private rented sector was dominated by working-age adults (five-sixths) with children making up the rest.
- These changes reflect changes in the poverty rates by tenure as well as the underlying tenure share. Over this period, the poverty rate in social housing fell by a third from 50 to 33 per cent. The number in poverty fell by more than that – 45 per cent – reflecting the fall in the overall tenure share. For private renters and owner-occupiers, the rate remained unchanged at 35 and 10 per cent respectively. As a result, the poverty rate for the two rental tenures are now equal, at a little over three times the rate for owner-occupiers.
- The poverty rates for both social renters and owner-occupiers are lower in Scotland than England. The rate for private renters is the same.



## Poverty in Glasgow: public sector employee beliefs and attitudes

Indicator: 10

The sense among most public sector employees interviewed by the Poverty Leadership Panel is that there is quite a lot of poverty in the city; only a handful believe there to be very little.



Sources: Poverty Leadership Panel (PLP) staff attitudes survey report, baseline survey by Glasgow Centre for Population Health, August 2014. Conversations and semi-structured interviews with Wheatley Group staff

- This indicator shows the result of a survey of public sector employees in Glasgow which will be used to provide a baseline against which to monitor the impact of a campaign to change attitudes led by the Glasgow Poverty Leadership Panel (PLP) (see indicator 14). 64 per cent of staff reported contact with clients who they believed were experiencing poverty.
- 89 per cent agreed that someone is in poverty if they have 'not got enough money to eat and live without getting into debt'. 66 per cent agreed that it is poverty if someone has 'enough money to eat and live, but not to buy other things they need'. In both cases, 5 per cent or less disagreed. But 51 per cent disagreed that it is poverty if someone has 'enough money to eat and live, but not to buy things most people take for granted'.
- The main difference from the 2010/11 British Social Attitudes Survey which asked similar questions is those saying there is very little poverty: 3 per cent in this survey but 39 per cent in the BSA. 13 per cent believe it is an 'inevitable part of modern life' compared with 35 per cent in the BSA.
- Depending on who was being spoken about, between 50 and 57 per cent said they would challenge expressions of discrimination from clients while between 55 and 62 per cent said they would challenge them from colleagues.
- Between a half and three-quarters of those interviewed were confident they could help people with various 'protected characteristics' (personal characteristics protected by law under the 2010 Equality Act). The groups for whom confidence was lowest were people whose first language was not English (55 per cent), people with addiction issues (57 per cent) and people with mental health problems (58 per cent).

## Chapter 3

### **National and local government priorities**

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## Choice of indicators

The Scottish government elected in 2007 put in place a strategy for poverty and social exclusion. It was centred on *Achieving our Potential: A framework to tackle poverty and income inequality in Scotland* (Scottish Government, 2008a) and drew on the task force report on health inequalities *Equally Well* (Scottish Government, 2008b) and *The Early Years Framework* (Scottish Government, 2009).

The main income measure in this strategy was the share of income going to the poorest three-tenths of the population. This goes beyond poverty, which in practice is about the poorest two-tenths. Indicator 11 shows this share as an inequality measure, alongside the shares going to each of the other seven-tenths of the population. The scale of the income transfer that would be needed to abolish poverty can be gleaned from this presentation.

The 2007 Scottish government also created the Tackling Poverty Board. Its purpose, make up and ten recommendations published at the start of 2011 appear in indicator 12. It intended to meet again to consider how to influence the incoming government but it did not. We present the recommendations again here because they have been commended to us several times during the writing of this report, their quiet demise being a matter people regret and a reminder that good argument is neither new nor, of itself, guaranteed to be durable.

After 2011, the focus shifted to an explicit child poverty strategy as well as actions to mitigate the effects of welfare reform. The requirement for such a strategy arose from the 2010 UK Child Poverty Act. Its central child poverty measure, referred to as 'relative' poverty, follows a similar path to the child poverty rate in the low income chapter. Indicator 15 shows the child poverty rates for each local authority. The strategy's other target measures, namely 'absolute' poverty and material deprivation, are discussed in the supporting text.

In absorbing the under-occupation penalty (which also required negotiation with the UK government to have the cap on discretionary housing payment (DHP) lifted) and, in effect, keeping the previous system of Council Tax Benefit after its abolition by the UK government in 2013, Scotland has saved many of its poorest residents a lot of money. In England, where mitigation is the exception rather than the rule, 380,000 families were losing an average £15.61 a week in April 2014 to the under-occupation penalty while six times as many were paying an average £2.86 extra in Council Tax. 70 per cent of those hit by the under-occupation penalty were hit by Council Tax too. Of course to get DHP a tenant needs to know how to make an application.

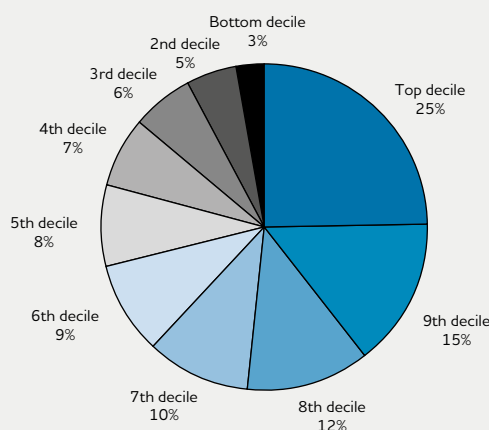
Indicators 13 and 14 present the priorities for action of four local initiatives which have been created to bring renewed impetus to anti-poverty work. The first describes the work of the Glasgow Poverty Leadership Panel. This has been running for almost two years and is marked by the extensive involvement of people with direct experience of poverty. The second deals with initiatives in Renfrewshire, Fife and Dundee. Being at an earlier stage, they are treated here as one; differences between them will emerge in due course.

A high level issue here is the lack of connection between local and national. The 2007 concordat between central and local government in effect devolved responsibility for tackling poverty to the local level. Yet there is neither pressure nor support from the centre for this. The 2013 guidance to Community Planning Partnerships (CPPs) regarding these single outcome agreements mentions poverty only once in passing. It is not among the six priority themes.

## The solidarity target: the share of income of the poorest 30 per cent

### Indicator: 11

The poorest three-tenths of Scotland's population have 14 per cent of its income; the richest three-tenths have half.



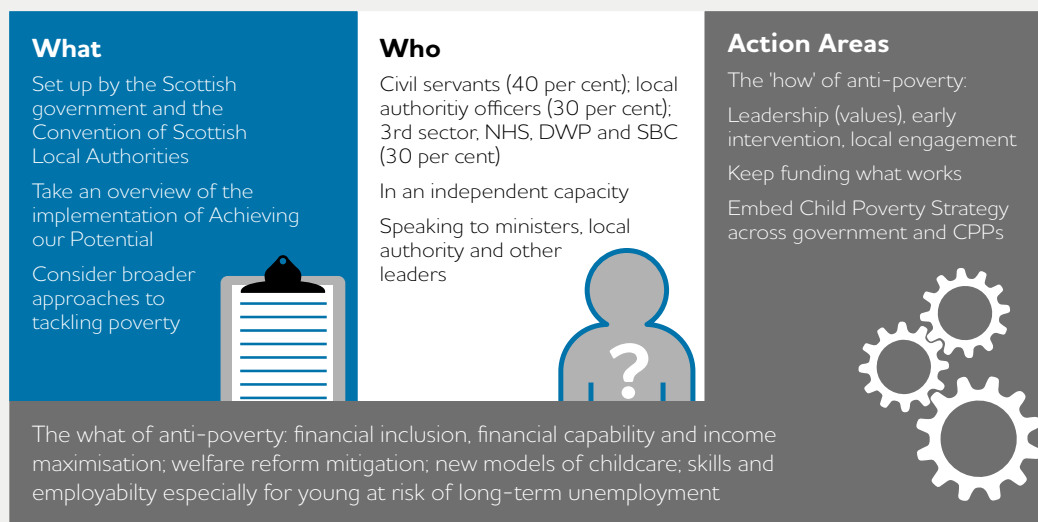
Source: Households Below Average Income, DWP; the data is for 2012/13

- This indicator shows the proportion of household income going to each tenth of the Scottish population from the poorest tenth to the richest. It is directly related to the government's solidarity target, introduced in 2007, to increase both the overall income and the proportion of total income going to the bottom three-tenths by 2017. Income is equivalised household income, measured in the same way as in Chapter 2 but before housing costs have been deducted instead of after.
- In 2012/13, the bottom three-tenths of the population received 13.7 per cent of total income. Since 2006/07, the proportion has fluctuated between 13.1 per cent (2008/09) and 14.3 per cent (2010/11). There is no trend. Interpreting the statistic is difficult. An extra 1 per cent of total income going to the bottom three-tenths would mean their incomes going up by a sixth. But the size of the year-to-year fluctuations means we cannot be confident that such a change is real until it has been sustained for a few years.
- Unlike the poverty measures, this indicator exposes the entire income distribution. The share going to the bottom three-tenths is similar to that going to the next two-tenths. Put another way, the poorer half of the population got 29 per cent of total income. The top three-tenths got just over half – 52 per cent – of total income. The top tenth had a quarter.
- As a rough guide, poverty as measured by income would be eliminated if the bottom two-tenths each had the same share of total income as the third tenth. A transfer to them of 2.75 per cent of total income would achieve that. This is equivalent to 11 per cent of the income of the top tenth or 3.5 per cent of the income of the top three-tenths.

## Recommendations of the Tackling Poverty Board

Indicator: 12

The ten recommendations of the Tackling Poverty Board covered both how poverty should be addressed and what the main themes should be.



Sources: Tackling Poverty Board Statement, January 2011

- This indicator shows the January 2011 recommendations of the Tackling Poverty Board to the Scottish government, the Convention of Scottish Local Authorities (COSLA) and senior local and national leaders.
- The Board met during 2009 and 2010, following on from the publication of *Achieving our Potential* (AoP) at the end of 2008. As the committee's report noted, AoP was the poverty element of the joint Scottish government and COSLA social policy framework, alongside *Equally Well* and the *Early Years Framework*. Unlike these other two, AoP was neither evaluated nor refreshed. Despite its stated intention to influence the incoming Scottish government in 2011, the Board did not meet again after the election.
- The Board's recommendations can be divided into two groups. Stressing leadership (commending the positive, turning the spotlight on the bad), both nationally and locally, it urged local innovation and improvement using engagement with local communities to help design public services. Two key principles were early intervention – moving from crisis management to prevention – and highlighting what works and continuing to fund it. The Child Poverty Strategy, still at an early stage, needed to be embedded across government and the community planning partnerships with clear leadership to drive it.
- The recommendations put great emphasis on financial inclusion: financial capability, good financial products and income maximisation. Endorsing the principle that work should pay, national and local responses to protect the most vulnerable from the impacts of welfare reform were needed. Noting that the traditional model of childcare did not suit many low-earners, it called for new approaches in both what was on offer and how it was provided. Describing skills and employability policies as critical, it urged a special focus on young people at risk of long-term unemployment and the risks associated with it.

### Indicator: 13

Local poverty and fairness commissions are comprised of a mix of local and national leaders and experts but include few if any people with direct experience of poverty.

#### What

Local 'tackling poverty' and/or 'fairness' commissions

Convened by local authorities in Renfrewshire, Fife and Dundee

To provide new impetus to local anti-poverty work



#### Who?

A mixture of:

council leaders or deputy leaders of local bodies;

community representatives;

leaders of national bodies;

national experts



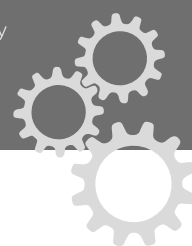
#### Action Areas

Evidence gathering

Identification of priorities

Making recommendations to the local authority and wider CPP

Assessing effectiveness of current anti-poverty actions by LA/CPP



The balance of commission membership varies: national experts and leaders independent of the local authority (Fife); council leaders/deputy local leaders and national experts (Renfrewshire and Dundee) plus community reps (Dundee)

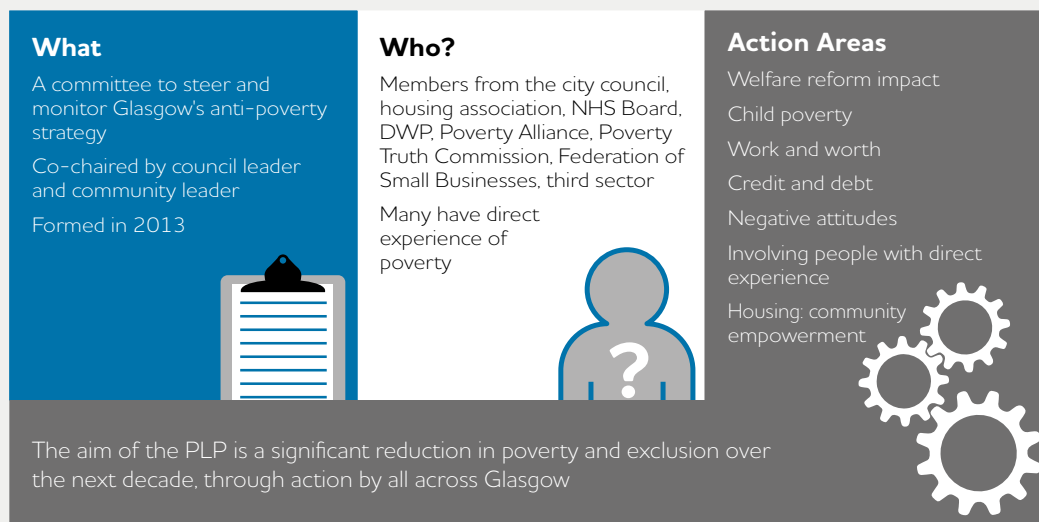
Sources: *Fairer Fife Commission* report to the Fife Partnership Board, February 2015; *Dundee Fairness Commission* report to Policy and Resources Committee, March 2015. Conversations and semi-structured interviews with council officers.

- This indicator shows three local commissions convened in the last year to provide new impetus to local anti-poverty work: Renfrewshire's Tackling Poverty Commission (which first met in April 2014), the independent Fairer Fife Commission (January 2015) and the Dundee Fairness Commission (due to meet in April 2015). Renfrewshire was due to report in March 2015, Fife in late 2015 and Dundee early 2016.
- Their underlying concerns across the authority areas include: child poverty; educational attainment; health inequalities; housing and place; welfare reform; boosting low incomes and minimising costs; the economy, jobs, employability and youth employment; in-work poverty and the Living Wage; food security; fuel poverty.
- It is recognised that not all matters have the same importance everywhere. Renfrewshire is expected to restrict itself to recommendations which are focused on things that will have the biggest impact locally, as well as principles around how organisations should work. The remits of both the Fife and Dundee commissions include a role in assessing the effectiveness of current local authority-wide and CPP actions against poverty conducted in line with existing local strategies.
- The connections between local and national initiatives pose challenges including: how national strategies (e.g. on child poverty) translate into local action; how to negotiate differences between national priorities and local ones; how to develop mechanisms that allow local priorities to influence national ones.
- Although none of these commissions are comprised of people with direct experience of poverty, all three see engagement with this group as crucial. The Renfrewshire commission's engagement work included, for example, working closely with local third sector groups to hold facilitated sessions with service users. Ensuring that their commissions are well informed about the perspectives of those with direct experience is recognised as an explicit challenge by both Fife and Dundee.

## Glasgow Poverty Leadership Panel: priorities for action

### Indicator: 14

The anti-poverty action plan developed by the Poverty Leadership Panel is inclusive; it steers and monitors work being done in a number of priority actions areas.



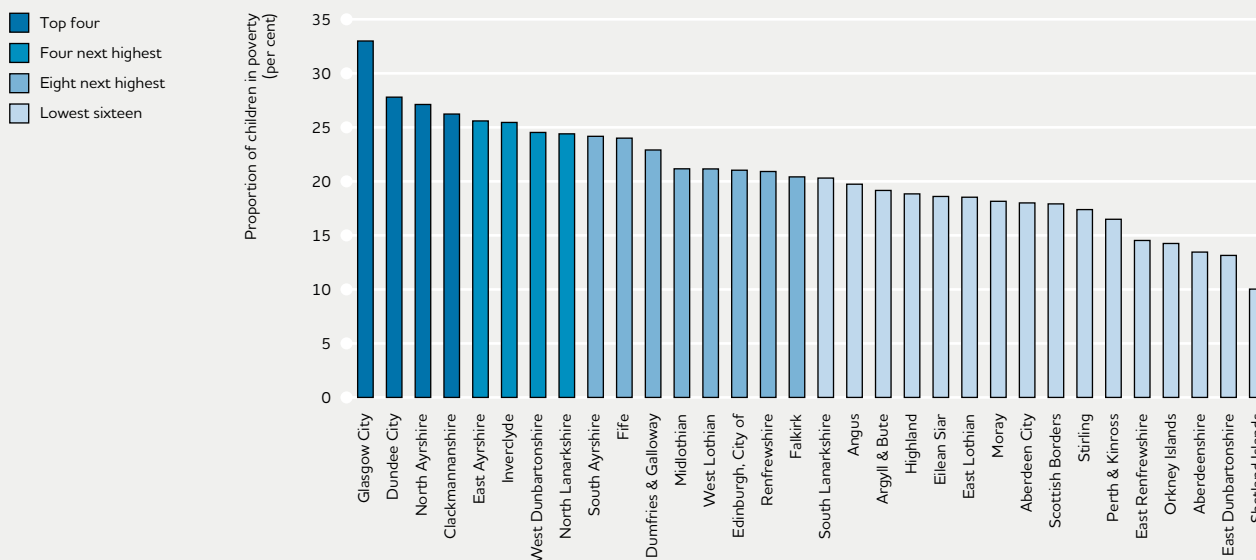
Sources: <http://www.povertyleadershippanel.org.uk/>; attendance at PLP meeting, conversations and semi-structured interviews with the Wee Panel (those with direct experience of poverty on the PLP) and responsible council officers.

- This indicator shows the Glasgow Poverty Leadership Panel (PLP) and the priorities in its anti-poverty action plan. The PLP was set up in 2013. Compared with other local poverty or fairness commissions, people with direct experience of poverty are closely involved, up to the level of co-chair. Third sector bodies are strongly represented. The council, the largest housing association, the NHS and the DWP are the main service providers represented.
- Action to combat negative attitudes is based on a survey of attitudes towards poverty undertaken by the Glasgow Centre for Population Health (see indicator 10). A campaign to change attitudes towards poverty, started in early 2015, is aimed at council, housing association and NHS staff.
- Work on welfare reform impact includes the creation of appeal packs to support people referred for a sanction. The PLP is pressing the DWP to allow the packs to be distributed at job centres.
- A monitoring framework is being developed to measure the impact of the PLP's activities on people experiencing poverty (outcomes not outputs) as well as to provide an overview of progress against key indicators, including those which prompted the creation of the PLP in the first place.
- The PLP also acts as a clearing house for a wide variety of initiatives on poverty, strengthening their effects through knowledge sharing. These actions range from formal research projects to targeted programmes in particular localities. This report itself has benefited from the PLP network.

## Child poverty rates by local authority area

Indicator: 15

Glasgow and Dundee have the highest child poverty rates in Scotland; East Dunbartonshire and the Shetland Islands have the lowest.



Source: End Child Poverty, 2014; the data is for 2013 (poverty is measured after housing costs)

- This indicator shows the estimated rates of child poverty in each local authority area in autumn 2013. They are widely cited although they are not official statistics. They are constructed to add up to the official total number of children in poverty for 2012/13 after housing costs.
- At 33 per cent, Glasgow had the highest rate of child poverty, five percentage points higher than Dundee which was second. Four other local authority areas recorded rates above 25 per cent: North and East Ayrshire, Clackmannanshire and Inverclyde. Another 11 had rates above 20 per cent. Five recorded rates below 15 per cent.
- This data is also published at local authority ward level. Glasgow has the ward with the highest child poverty rate at 43 per cent. No other area has a ward with a rate above 40 per cent but eleven others have at least one ward above 30 per cent. Orkney and Shetland alone have no wards above 20 per cent. Clackmannanshire, West Dunbartonshire and Glasgow have no wards below 20 per cent. Aberdeen has the biggest gap between its highest and lowest wards: 27 per cent. It should be noted, however, that the advent of larger, multi-member wards in the cities (and on which these statistics are based) has lessened the reported degree of variation.
- This indicator reflects the importance which many local authorities attach to child poverty. The official child poverty target uses the child poverty rate before housing costs, measured on three bases: below 60 per cent of median in the same year; below 60 per cent of median in a fixed year (now 2010/11); and materially deprived. In the three years to 2012/13, the three rates were 17, 18 and 12 per cent. All three were down on seven years earlier (when the material measure was introduced), by four, three and six percentage points respectively.





## Chapter 4

## Social security and unemployment

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17 Unemployment rates over time: young, middle and old working-age	32
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## Choice of indicators

When we asked people with direct experience of poverty, for example at the focus group organised by the Poverty Truth Commission (PTC), ‘what is the worst thing about welfare reform?’ the answer came back as one voice: sanctions. This is the most important thing that we have learned while we have been writing this report. We knew the effects of the tougher sanctions regime were damaging – even the conventional statistics told us that – but what they could not tell us was how it felt, quite what damage it did, not just to those who experienced it but those who were at risk of it happening to them at any time.

Another thing we were told, again by someone with experience of poverty at the PTC, is that it is now ‘normal’ to be sanctioned. If we understand normal to mean ‘more likely than not’ then it can be identified in the statistics. Indicator 20 presents the sanction rates for JSA on the conventional basis for each local authority area. Indicator 19 presents them differently, for Scotland as a whole, over time, and in a way that better reflects how likely they are to be sanctioned from the point of view of the individual JSA claimant. So is it really normal to be sanctioned? This indicator gives the answer.

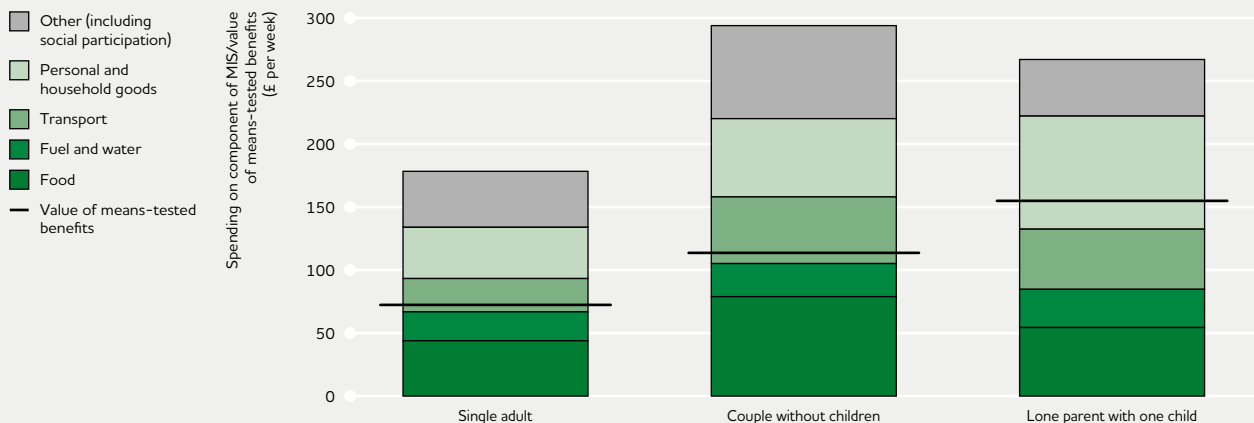
One of the dangers with welfare reform is that it diverts attention away from longstanding flaws in social security. Two of the other indicators in this chapter address these longstanding problems. Indicator 16 compares the value of the means-tested benefits for working-age people with the Minimum Income Standard. This is the same yardstick that was used above to compare the poverty line. One of the dangers with the poverty line is that everyone with an income below it tends to get lumped together. Comparing the poverty line and working-age benefits with the same standard (the MIS) guards against this.

Indicator 18 compares the numbers of people who are unemployed with the number claiming JSA. The two series come from quite different sources, namely regional labour market statistics, based on a household survey, and claimant count administrative statistics. There is no reason for them to be exactly the same: a gap is to be expected. What the indicator shows is how the gap has changed over time and for each of the four UK countries. If one country stands out, might there be a message for Scotland?

Indicator 17 is what this chapter is all about: the people who are unemployed, and how the unemployment rates differ between age groups. There is nothing surprising here – elevated levels of young adult unemployment have been a fact of UK life since the 1980s – which is precisely why it is shocking.

### Indicator: 16

Means-tested benefits for working-age adults without dependent children are deeply inadequate, being worth less than half the Minimum Income Standard.



Source: Minimum Income Standard, Centre for Research in Social Policy; the black lines denote the level of means-tested benefits by family type; the data is for 2014

- This indicator shows the weekly value of means-tested benefits set against a detailed presentation of the Minimum Income Standard (MIS) for three family types. The three, and the value of benefits for them in 2014, were: single adult aged 25 or over (£72); couple without dependent children (£114); lone parent with one child (£155). The benefits for the lone parent family include Child Benefit and Child Tax Credit.
- The MIS is based on what members of the public judge to be the levels of goods and services needed to provide a minimum socially acceptable standard of living. This presentation shows the amounts of income required for each of the categories within the MIS, namely: food, fuel and water, transport, personal and household goods, and other spending (including social participation).
- Benefits for the single adult and the couple without children are worth 40 and 41 per cent respectively of the MIS. For lone parents with one child benefits cover 60 per cent. Benefits fall short of the MIS by £104 per week for the single adult, by £169 for the couple and by £100 for the lone parent.
- The order of the categories does not say anything about how important or necessary they are. The graph cannot be interpreted as saying that benefit for a single adult is at least enough to meet food and fuel (the bottom two categories) since in reality some money has to be spent on other categories too. On the other hand, to say that benefit does not even cover the cost of food, fuel and transport is correct in the case of single adults and couples without children.

## Unemployment rates over time: young, middle and old working-age

### Indicator: 17

The proportion of young adults – those aged 16 to 24 – who are unemployed is far higher than for other age groups, and increased more during the recession.



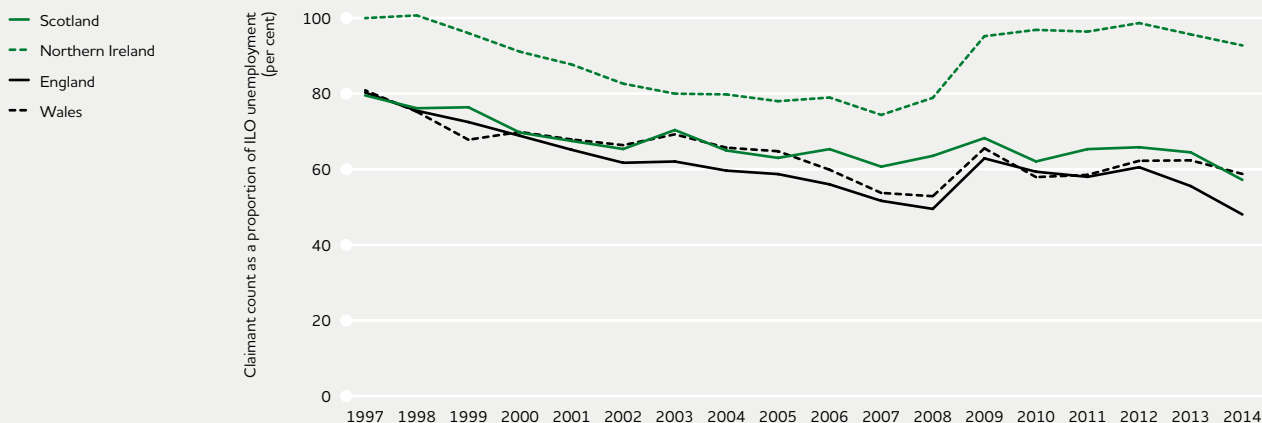
Source: Annual Population Survey via NOMIS, ONS

- This indicator shows the percentage of each age group who were unemployed in each of the last ten years. The groups are 16 to 24 (young adults), 25 to 34, 35 to 49 and 50 to 64. The average is also shown for the whole working-age population. These percentages are not the same as the headline unemployment rate which gives the numbers unemployed as a proportion of the economically active population within the age group rather than the age group as a whole.
- An average of 13 per cent of 16 to 24-year-olds – young adults – were unemployed in 2013/14, by far the highest of the age groups. This age group has been the highest for each of the last ten years, and increased more and for longer than others during and after the recession. Since its peak in 2011/12, the rate has fallen 1.7 percentage points. In terms of numbers, the 77,000 figure for 2013/14 is almost 10,000 lower than in 2011/12.
- 5.6 per cent of the whole working-age population was unemployed in 2013/14. This is 0.5 percentage points lower than the year before but still 2.1 percentage points above its 2007/08 low point.
- Young adults make up 40 per cent of the unemployed, despite being just 17 per cent of the working-age population. Their share of total unemployment rose steadily from the early 1990s, reaching a peak in 2008 of 45 per cent. 25 to 34-year-olds are also over-represented, accounting for 22 per cent of those unemployed.
- The percentage unemployed is lowest among 50 to 64-year-olds; many of these are economically inactive rather than employed or unemployed.

## JSA claimants and unemployment over time: the four UK countries

### Indicator: 18

A much higher proportion of unemployed people in Northern Ireland receive JSA than in Scotland, Wales or England.



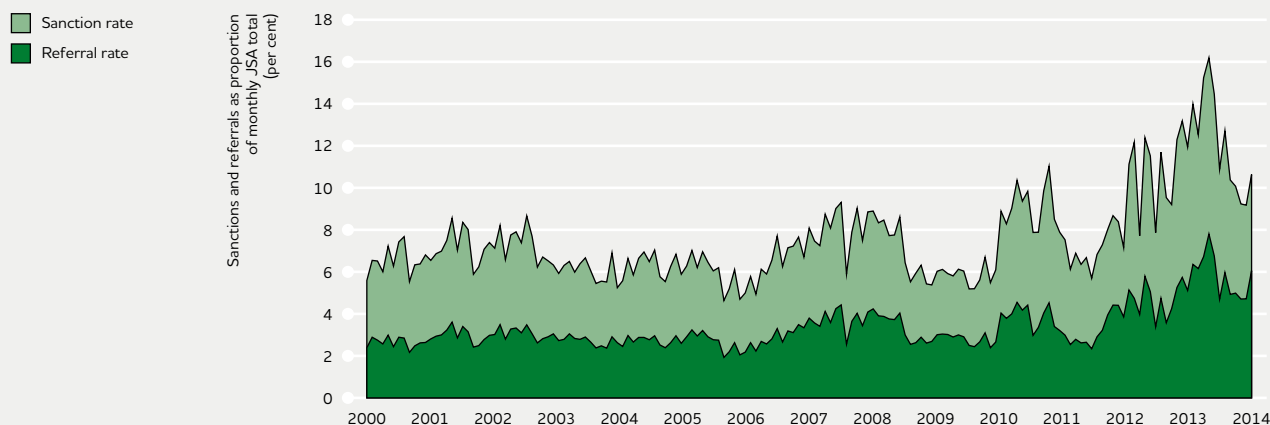
Source: Regional Labour Market Statistics; Claimant count via NOMIS, ONS

- This indicator shows the number of people claiming JSA each year since 1997 in each of the four UK countries as a proportion of the number who were unemployed in the country. The claimant count is administrative data. The number unemployed comes from the Labour Force Survey. Although there is no reason why the two numbers should be the same, there is also no reason why the relationship between the two should change much over time.
- In 1997, the claimant count was at or about 80 per cent of the number unemployed in each of Scotland, England and Wales. In Northern Ireland, it was 100 per cent. Over the next ten years, it fell steadily everywhere, to 60 per cent in Scotland, 51 per cent in England and 74 per cent in Northern Ireland. After a rise to 2009, the percentage has been falling again, to 57 per cent in Scotland and 48 per cent in England in 2014. By contrast, it has returned to, and remained above 90 per cent in Northern Ireland.
- The important points here concern the differences between countries. First, it is clear that countries with exactly the same system can diverge substantially.
- Second, Northern Ireland differs in that although the system is the same on paper, it is administered differently – by the Northern Ireland Executive. One reason why the unemployed in Northern Ireland are more likely to receive JSA is that a higher proportion of them are long-term unemployed. That's because the longer someone is unemployed, the harder it is to manage without state support. A second possible reason is that the Northern Ireland Executive has a dedicated income maximisation strategy designed to ensure that people receive the benefits they are entitled to, although much of the focus is on those aged over 60.

## JSA sanction referrals over time as a proportion of the stock of JSA claimants

Indicator: 19

At its peak in 2013 almost one in six JSA claimants were being referred for a sanction each month.



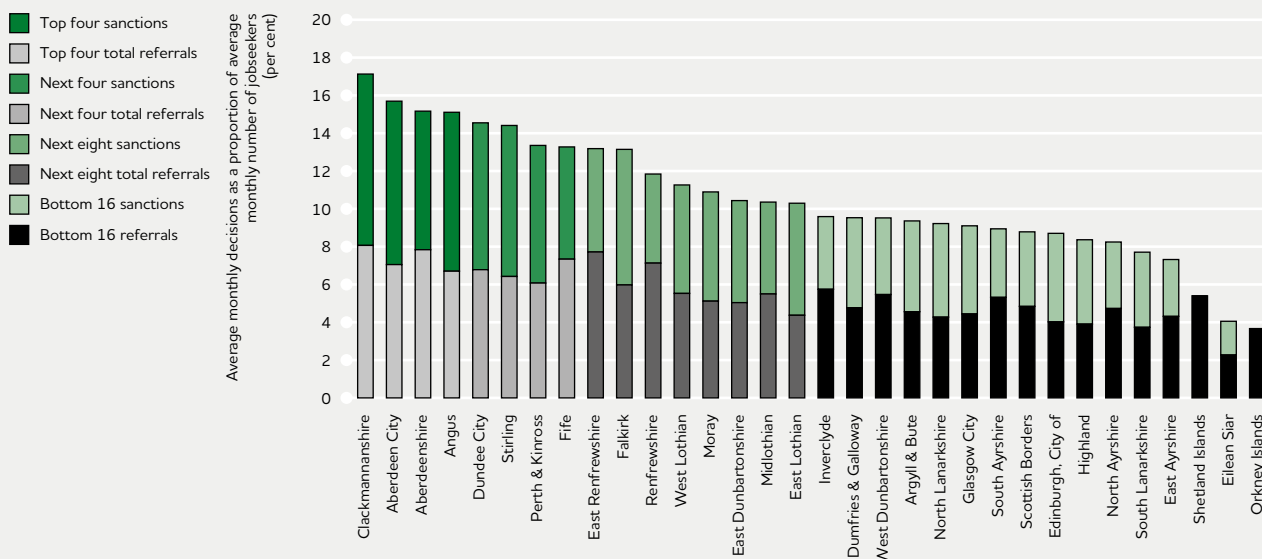
Source: Stat Xplore, DWP; Claimant count via NOMIS, ONS

- This indicator shows the number of JSA claimants referred for a sanction each month since April 2000 expressed as a proportion of the number of JSA claimants in the month, including those already with a sanction. The statistic shows both referrals that do not result in a sanction (still a stressful experience) and those that do.
- Sanctions have long been a part of the way that JSA is administered (although historically and internationally this is a harsh regime).<sup>3</sup> Between 2000 and 2006, the sanction rate remained steady at 2 per cent. Over this period, a further 3 to 6 per cent were referred for, but did not receive, a sanction.
- The sanction and overall referral rates have reached three, successively higher peaks – at around 9 per cent in late 2007, 11 per cent in early 2011 and 16 per cent in late 2013. This last rise was partly due to Work Programme operators being required automatically to refer even if the claimant had a good reason for the action that caused the sanction to be imposed.
- These are monthly rates. At the latest rate shown of 10 per cent, a claimant on JSA for five months or more is more likely than not to be referred for a sanction at some point. A different way of estimating this likelihood is to express the referral rate as a percentage of the on-flow of new JSA claimants over, say, each six month period. On this basis, the chance of a referral in the second half of 2014 was just above 50 per cent, down from a peak a year earlier of 69 per cent.

## JSA sanction referrals by local authority as a proportion of the stock of JSA claims

Indicator: 20

One in six jobseekers in Clackmannanshire, Aberdeenshire, Aberdeen and Angus are referred for a sanction each month, around twice as many as in North Ayrshire, South Lanarkshire and East Ayrshire.



Source: Stat Xplore, DWP; Claimant count statistics via NOMIS, ONS; the data is for the first half of 2014

- This indicator shows the number of JSA claimants in each local authority area referred for a sanction in the first half of 2014 expressed as a proportion of the claimant count (the stock of JSA claimants) over the period. The statistic is divided into those referrals that do not result in a sanction and those that do.
- The overall referral rate varied from 17 per cent in Clackmannanshire, 16 per cent in Aberdeen City and 15 per cent in Aberdeenshire, to 5, 4 and 4 per cent in Shetland, Eilean Siar and Orkney respectively. However, neither Orkney nor Shetland report any referrals other than ones that led to sanctions and Shetland's sanction rate of 5.4 per cent is actually slightly above the Scotland average of 5.2 per cent. The next lowest referral rates were in North Ayrshire, South Lanarkshire and East Ayrshire at 8, 8 and 7 per cent respectively.
- Clackmannanshire and Aberdeenshire had the highest sanction rates – 8.1 and 7.9 per cent – followed by East Renfrewshire (7.8 per cent). Eilean Siar, Orkney, South Lanarkshire and Highland had the lowest sanction rates, all below 4 per cent.
- There is a fivefold ratio between the extremes and a twofold ratio if the extreme half dozen are ignored. It is hard to believe that such ratios can be due to systematic differences in the claimant populations of, say, Angus and East Ayrshire.





## Chapter 5

### III-health and mortality

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## Choice of indicators

Scotland's record on ill-health and mortality stands out from the statistics and yet is rarely identified as being among the priorities for action against poverty. The picture painted by the statistics is damning: Scotland now has the lowest life expectancy of any western European country yet 65 years ago it was no worse than average. Diverging then, as its life expectancy began to improve more slowly, it diverged again in 1980. Before 1980, indices of deprivation could account for Scotland's excess mortality; increasingly after 1980 they could not. Over this more recent period, inequalities in mortality have widened within Scotland (McCartney *et al.*, 2011).

Indicator 21 presents a simplified version of this story comparing Scotland with England and using not life expectancy but the mortality rate for those aged under 65.<sup>4</sup>

Deprivation may not be able to fully account for the excess Scottish mortality rate but that does not mean that the problem is not directly related to it. Indicator 23 compares male life expectancy in Scotland and England dividing each country up into tenths according to the local deprivation ranking. In reading an indicator like this, it is worth remembering that poverty after housing costs in Scotland is lower than in England while average (mean) income is more or less the same.

Another simple indicator, 24, which ranks the 32 Scottish local authorities and the 324 English ones by their male life expectancy, is another way of showing the consequences of deprivation. Given that the Scottish economy is similar to the English one, you could reasonably expect the pattern here to be one in which Scottish local authorities were distributed, more or less evenly, among the English ones. The fact that they are not is telling.

Indicator 22 presents the picture at local level in terms of the inequality in life expectancy within each Scottish local authority, with results shown for both men and women. This aspect of the problem, perhaps easier to grasp because it is more tangible, is now starting to be prioritised (for example by Renfrewshire's Tackling Poverty Board).

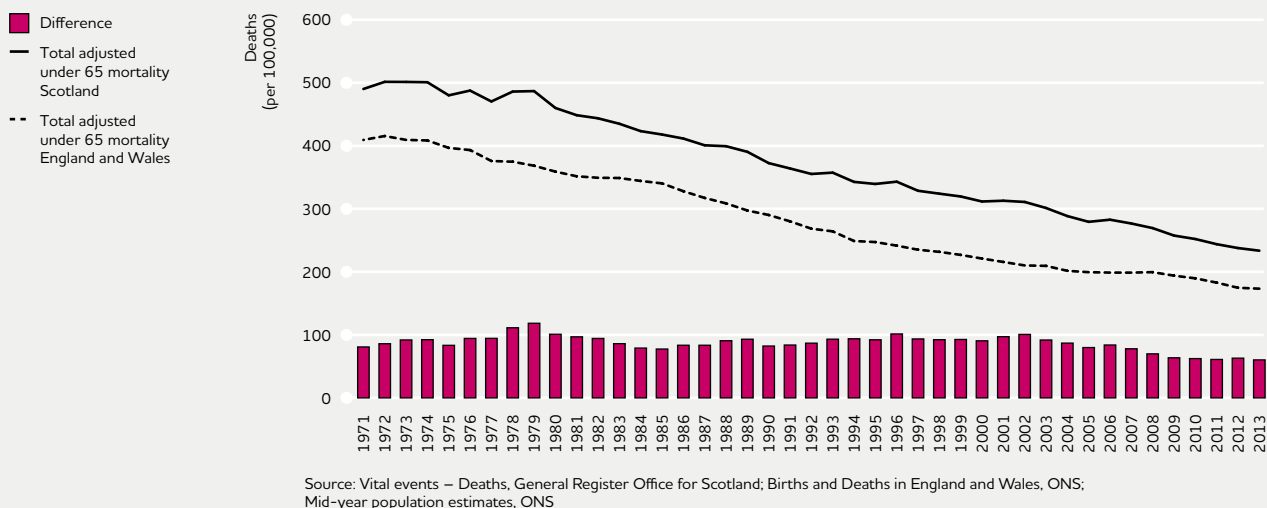
The former Chief Medical Officer, Sir Harry Burns, offers an explanation for heightened mortality rates that goes beyond mere material deprivation. His account centres on the damage done to the body by chronic stress, itself a product of the sense of being unable to control, or make sense of, the world that one is in. 'Health', he says, 'is just something that emerges from a fair and civilised society, where everyone looks after each other. Individuals who live in that society begin to learn how it works, begin to manage their place in it and begin to participate in the life within their community' (Burns, 2012).

It is against this background that indicator 25 should be read, as the NHS in Scotland, and especially its regional boards, aims to develop programmes of action to mitigate the effects of welfare reform, both on the health of patients and on health services.

## Rates of mortality among under 65s over time: Scotland, England and Wales

### Indicator: 21

The excess number of premature deaths in Scotland compared with England and Wales has come down since the early 2000s – but Scotland is still 16 years behind.



- This indicator shows the annual number of deaths per 100,000 under the age of 65 since the start of the 1970s for Scotland and for England and Wales. The rate is standardised to allow for different age structures. We refer to this as the rate of premature mortality. It also shows the excess number of deaths, that is, the difference between the Scottish and the English and Welsh rates.
- Between 1972 and 2013, the premature mortality rate in Scotland came down from 500 per 100,000 in 1972 to 233 per 100,000 in 2013, a fall of 53 per cent. Over the same period, the rate in England and Wales fell from 414 to 172, a fall of 58 per cent.
- Whether this is regarded as a widening of the gap in the premature mortality rate depends on how it is measured. As a proportion of the rate in England and Wales, the gap widened. In 1972, the Scottish rate was 121 per cent of the England and Wales rate. In 2013 it was 135 per cent of it. But measured in terms of the number of excess deaths, it fell from 86 per 100,000 in 1972 to 61 per 100,000 in 2013.
- This fall in the number of excess deaths is a recent development. By 1979, the excess had jumped from 86 in 1972 to 118. As recently as 2002, it still stood at 100. What has brought it down since then is mainly a drop in the pace of improvement in England and Wales, to 3.4 deaths per year from 6.8 per year during the previous 30 years. By contrast, the Scottish rate has been improving since 2002 by 7 deaths per year, a little faster than the average of 6.3 during the 30 years beforehand.
- Scotland's rate of premature mortality in 2013 was still only the same as the English and Welsh rate of 1997 – 16 years earlier.

## Male and female life expectancy by local authority: inequality by level of deprivation

### Indicator: 22

The gap in life expectancy between the least and most deprived local areas is greater for men than women but large gaps for men usually imply large gaps for women too.



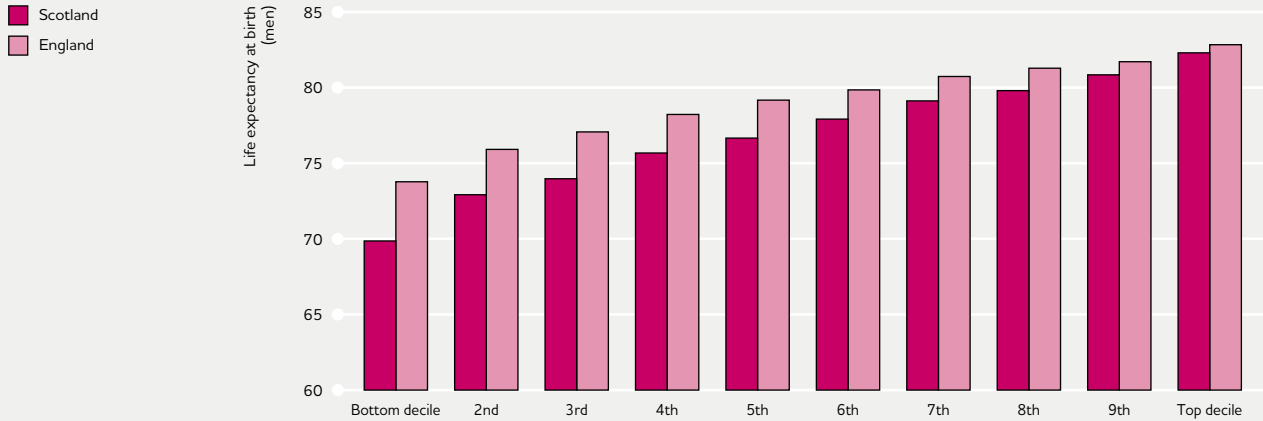
Source: Life Expectancy in Scottish Council areas split by deprivation, 2009–13, National Records of Scotland.

- This indicator shows the life expectancy at birth in the least deprived tenth of each council area and the most deprived tenth. The bars show the gap in life expectancy between these deprived and non-deprived areas. For example, female life expectancy in East Dunbartonshire (third from the left) ranges between 79.2 and 84.2 years. Male life expectancy ranges between 81.3 and 74.8 years. Authorities are ordered by male life expectancy in their most deprived local area (from highest on the left to lowest on the right).
- On average, the gap for males is bigger than the gap for females: 5.4 years on average compared with 3.5 years. The maximum gap is also bigger: 9.0 years (East Renfrewshire) compared with 6.2 years (City of Edinburgh). So too is the minimum gap: 2.3 years in the Shetland Islands and 0.5 in Moray (excluding Eilean Siar, where life expectancy for women in seemingly higher in deprived than non-deprived areas).
- The largest gaps in male life expectancy are generally found in areas where life expectancy in deprived areas is low. The three areas with the largest gaps – East Renfrewshire, Edinburgh and Renfrewshire – are all towards the right of the graph.
- In general, a large gap in male life expectancy is associated with a large gap in female life expectancy but there are a few exceptions, for example Moray and Stirling, where the male gaps are much larger than the female.

## Male life expectancy by level of local deprivation: Scotland and England

### Indicator: 23

The difference in life expectancy between England and Scotland is small in less deprived areas, noticeable in average ones and large in the most deprived.



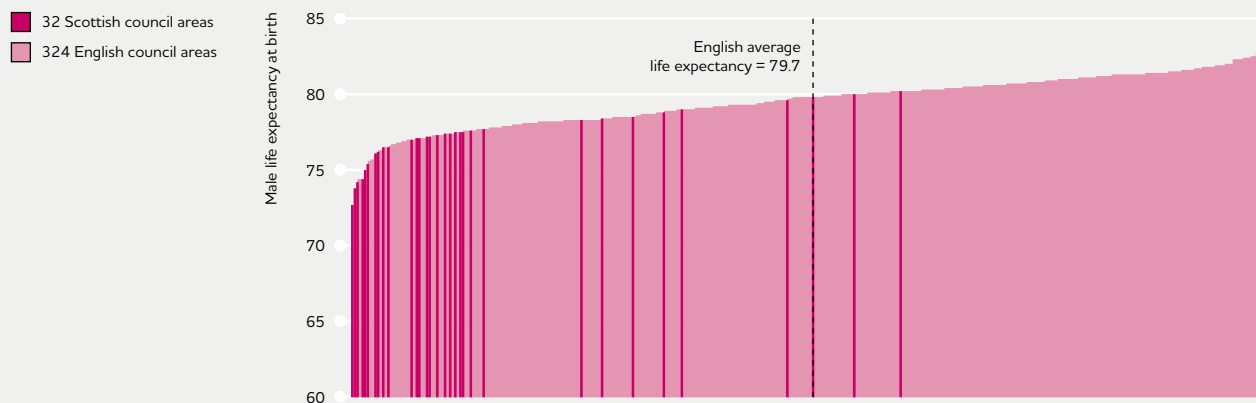
Source: Life expectancy for administrative areas within Scotland 2011-13, National Records of Scotland; Inequality in healthy life expectancy at birth by national deciles of area deprivation in England 2010-12

- This indicator shows male life expectancy at birth for Scotland and England for each tenth of local areas ranked by the local area's level of deprivation. The figures for Scotland are for 2011 to 2013 while those for England are for 2010 to 2012.
- In Scotland, life expectancy ranges from 69.9 years in the most deprived decile to 82.4 years in the least deprived, a difference of 12.5 years. In England, life expectancy ranges from 73.8 years to 82.9 years, a difference of 9.1 years. A life expectancy of 73.8 years, that of the most deprived decile in England, is about the same as that for the third most deprived decile in Scotland.
- Two points stand out here. First, life expectancy at the very top is almost equal in the two countries, Scotland falling short of England by just half a year. Second, the gap for the bottom decile (3.9 years) is much bigger than the gap for the second bottom (3.0 years). Although life expectancy in the bottom decile in both countries is markedly below that for the second decile, the drop for Scotland is especially big: in Scotland's most deprived areas, male life expectancy is still very bad indeed.
- A third point is more subtle: the picture here is not one in which there is a constant gap between Scotland and England except in the most deprived deciles. Instead, the gap widens steadily from the top. Alongside the indicator showing male life expectancy by local authority, this makes the point that as well as a severe problem of reduced life expectancy in the most deprived areas in both countries, the rate at which life expectancy is reduced by level of local deprivation is greater in Scotland than in England.

## Male life expectancy by local authority: Scotland and England

Indicator: 24

There are only two Scottish council areas where male life expectancy is above the English average.



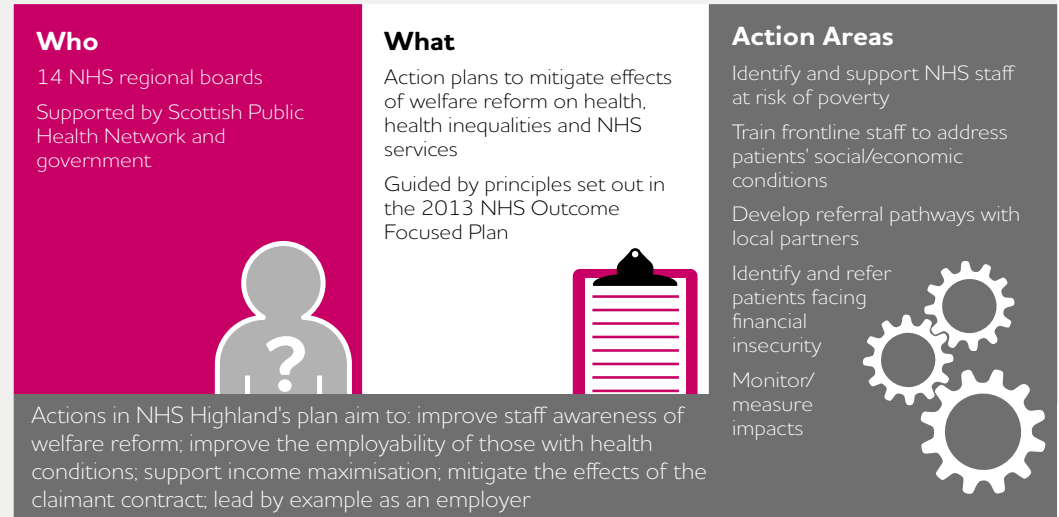
Source: Life expectancy for areas in Scotland, General Register Office for Scotland; Life expectancy at birth and at age 65 by local areas in England and Wales, ONS; Mid-year population estimates, ONS; the data for England is for 2011-2013, the data for Scotland is for 2010-2012

- This indicator shows male life expectancy at birth for each of the 32 Scottish local authorities and 324 'lower tier' English local authorities (excluding the City of London and the Isles of Scilly). The overall range shown is from 72.6 years to 83.0 years. The figures for Scotland are for 2010 to 2012 while those for England are for 2011 to 2013.
- Only two Scottish local authority areas – East Dunbartonshire and East Renfrewshire – had a higher life expectancy than the England average: 80.1 and 79.9 years respectively compared with an England average of 79.7. A third, the Orkney Islands, had a life expectancy equal to the average. All other Scottish local authority areas were below it.
- Scottish local authority areas occupied the bottom three positions: Glasgow City (72.6), Inverclyde (73.7) and West Dunbartonshire (74.1). Scotland also took seven of the bottom ten places (the other three being taken by Blackpool, Manchester and Burnley, all in the English North West). The other four Scottish areas in the bottom ten were Dundee City (74.3), North Lanarkshire (74.9), Renfrewshire (75.3) and North Ayrshire (76.0). Liverpool, one of the yardsticks against which the West of Scotland is traditionally measured, stood twelfth in this list with 76.2.

## NHS plans to mitigate the effects of welfare reform on health and health services

Indicator: 25

The NHS outcome-focused plan and its adaptation at the regional level respond to both welfare reform and the additional question of in-work poverty.



Sources: *NHS Outcome Focused Plan*, December 2013; accompanying letter from Chief Medical Officer to NHS Chief Executives; *NHS Highland Welfare Reform Mitigation Action Plan*; semi-structured interview with Scottish Public Health Network.

- This indicator shows the 2013 NHS Outcome Focused Plan which sets out principles for regional NHS boards to follow in developing action plans to mitigate the effects of welfare reform. It also shows the NHS Highland plan as an example of how regional boards have adapted the national plan to their own population needs and geography.
- The plan works towards a number of short-term outcomes relating to: NHS staff at risk of poverty themselves; staff understanding of the social determinants of ill-health and health inequalities and how to address them; how routine management processes take account of the social and economic conditions of patients including for future service planning.
- The action plan of NHS Highland (the largest employer in the region) is an example of how boards have adapted the national plan to suit their own population needs and geography. Some of its actions respond directly to welfare reform, including working with employers to tackle stigma and also ensuring that patients are provided with proof of an appointment to use if there is a clash with, say, a job interview.
- The Highland plan also aims to make the NHS more accessible to those in work, for example by allowing self-referral or evening and weekend appointments. In doing this, it is thinking beyond the obvious impacts of welfare reform, fashioning answers to the ancillary problems of in-work poverty.





## Chapter 6

### Education inequalities

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## Choice of indicators

The educational outcomes of children from low income or disadvantaged backgrounds have long been part of any report on poverty in England. There is usually a double focus, on the gap in attainment between children at the bottom and on average, and the overall level of attainment at the bottom. As well as income, outcomes can be reviewed by gender, geography and ethnicity. A failure to sustain political and maybe professional agreement as to the true value of the standards being used has muddled what once seemed a clear story with a lot of success in it. Yet throughout this long period, until very recently, Scotland has paid little attention to this matter.

A 2010 report in this series which scrutinised the anti-poverty programme around Achieving our Potential identified one of its four gaps as being 'the attention paid by education and training institutions to outcomes for those from poor and disadvantaged backgrounds'. Last year, a Joseph Rowntree Foundation report (Sosu and Ellis, 2014) pointed to the large and persistent educational attainment gap between children from low-income households and those from better off backgrounds, the need for more focused policy-making and practice, and, related to this, better research and evaluation evidence.

'Improving relative levels of educational attainment for children from low-income households' (alongside 'achieving their full potential') does appear among the intermediate outcomes in the Child Poverty Strategy. The accompanying headline indicator, which has just been published, relates to levels of performance at P7. Very recently, the government announced a four-year Scottish Attainment Challenge, based explicitly on the successful London Challenge that transformed educational performance in the capital after 2003. Although it is equivalent to less than 1 per cent of the schools budget, the £100 million over four years attached to the new programme is a big step: the challenge now is to deliver.

Against this background, the indicators in this chapter do three things. The first is once more to point to the gaps in various educational outcomes according to the level of deprivation of the area where the pupil lives. Indicator 27 looks at this at P4, P7 and S2 while indicator 28 looks at S4. The statistics shown in this indicator are closely connected with the Scottish government's just-published headline indicator. Indicator 30 looks at the destinations of school leavers. Indicator 29 reports on school exclusions with the results broken down as usual by area deprivation.

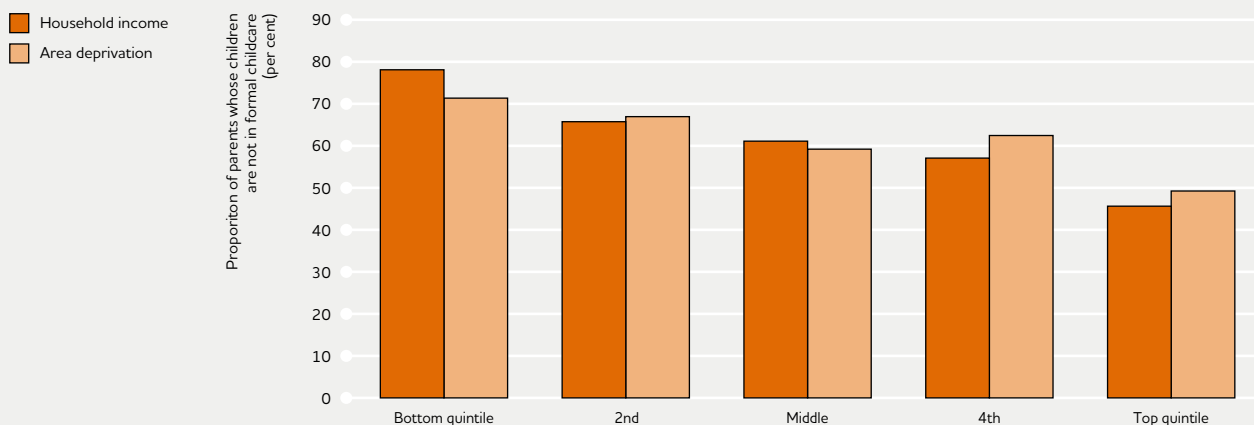
Indicator 26 also does this, but does something else too. It shows the percentages using formal childcare with the results broken down both by area deprivation and household income. This, which allows a comparison of the gap, or gradient, between the two measures, suggests what can be expected if data on educational outcomes does start to be published according to the characteristics of the household rather than the area.

In all of these indicators certain groups are over-represented. It is also worth recalling the Poverty Truth Commission priority about the cost of school. School engagement with poverty and inequality is about more than exams.

## Use of formal childcare among school-age children by level of household income and area deprivation

Indicator: 26

5- to 6-year-olds in the bottom fifth are most likely not to receive formal childcare outside school hours – but the gap is bigger measured by household income than area deprivation.



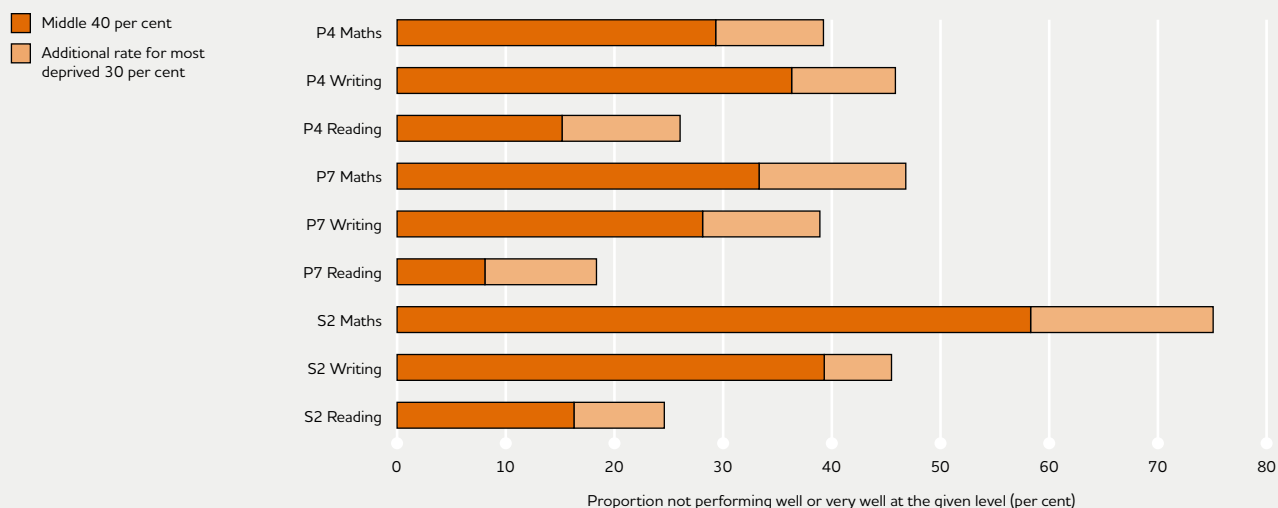
Source: Growing up in Scotland Survey, sweep 6; the data is for 2010/11

- This indicator shows the proportion of parents of school-age children (aged 5 to 6) in the surveyed population who report that their child does not receive formal out-of-school childcare. Childcare is 'formal' except when it is provided by a relative, an ex-partner, a friend, a neighbour or a babysitter. While much of the discussion of childcare focuses on pre-school children, parents' ability to put their child into childcare out of school hours has a large bearing on how many hours they can work and the types of jobs they can do.
- The data source is a large scale cohort study which has been carried out since 2006 with the first 'sweep' surveying parents of children born in that year. The data presented above is the responses of these parents five years later. It should be noted that in previous years, when these children were aged 3 to 4, there was little or no difference in the proportion of children receiving formal childcare by deprivation: almost 100 per cent were enrolled in formal childcare.
- The statistic is shown on two different bases. The first is when the household is classified according to the deprivation level of the area in which it is located. On this basis, 71 per cent of parents in the poorest fifth make no use of formal childcare, compared with 59 per cent in the middle fifth and 49 per cent in the top fifth.
- The graph shows that it is more likely that a child won't receive formal childcare outside school hours than that they will. In the middle of the population, two children in every five receive it while three do not. Only in the top fifth is formal childcare more likely than not. The cost of childcare is likely to be a factor contributing to this gap.
- By showing the statistic on both bases the graph makes the general point that the gaps between top, middle and bottom are larger on the income than the area basis. This has obvious implications for the design and delivery of childcare policy.

## Low school attainment at P4, P7 and S2 by deprivation of local area

### Indicator: 27

A quarter of primary and early secondary school children in the most deprived part of the population fail to perform 'well' or 'very well' in reading; the proportions are higher still for writing and maths.



Source: Scottish Survey of Literacy and Numeracy; the data is for 2013

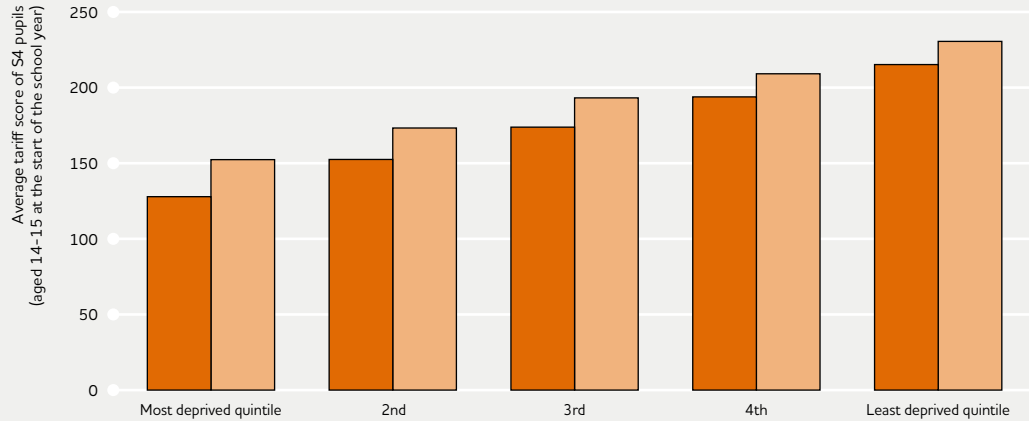
- This indicator shows the percentage of children who are not performing either 'well' or 'very well' in primary 4 (age 7 to 8 at the start of year), primary 7 (age 10 to 11 at the start) and secondary 2 (age 12 to 13) in each of reading, writing and maths. Two percentages are shown in each case: for those in the middle four-tenths of the population ranked by the deprivation of the local area; and the additional percentage for those in the bottom three-tenths (the most deprived areas).
- Apart from maths at S2, there is little difference between the results at P4, P7 and S2 for any subject. In reading, the percentage for those in the most deprived three-tenths varies between 18 and 26 per cent. In writing, it varies between 39 and 46 per cent. In maths, it varies from 39 per cent at P4 to 76 per cent at S2.
- Compared with the middle four-tenths, the average gap across P4, P7 and S2 is 10 percentage points for reading, 9 for writing and 14 for maths. There is no sign of the gap increasing in later years. A 2011 report by the National Centre for Social Research (National Centre for Social Research, 2011) using the Growing Up in Scotland Survey found cognitive ability in the pre-school years to be associated with more advantaged backgrounds. This was true at both age 3 and 5, when the gap between the poorest and richest quintile was found to have increased. 5-year-olds of degree-educated parents were around 18 months ahead on vocabulary and 13 months ahead on problem-solving. Both factors are highly correlated with good educational outcomes.

## Average attainment at S4 over time by deprivation of local area

Indicator: 28

Despite S4 attainment levels rising at all levels of deprivation, gaps in attainment are only closing slowly.

2005/06  
2012/13



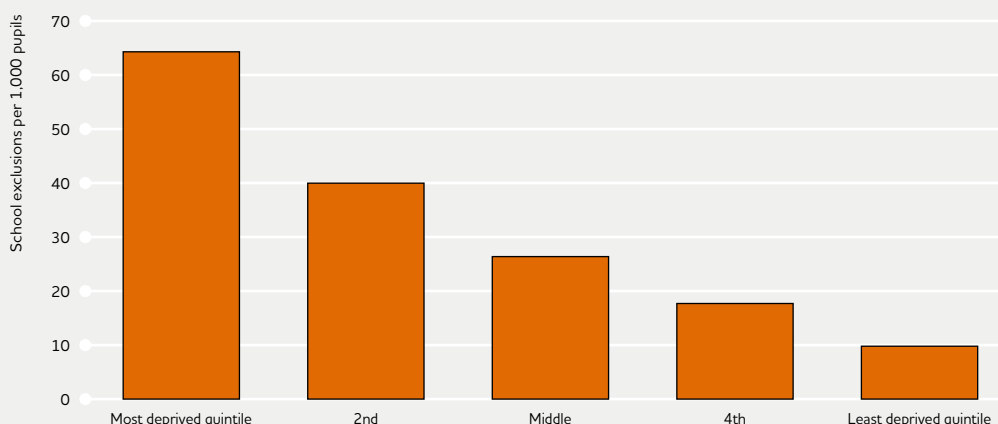
Source: Summary statistics for attainment, leaver destinations and healthy living, No4, 2014 edition – attainment and leaver destinations

- This indicator shows the average tariff score – an overall measure of attainment – in secondary 4 (age 14 to 15 at the start of the year) for each quintile of pupils ranked by the deprivation level of their local area. A score is shown for 2012/13 and 2005/06.
- In 2012/13, the score for the poorest fifth was 153, compared with 194 for the middle fifth and 232 for the top fifth. Seven years earlier, the comparable figures were 128, 175 and 216.
- In both points and percentage terms, the biggest increase was at the bottom. As a result, the gap closed slightly. But the rate of progress is slow. As is clear from the graph, the tariff score in each of the bottom four quintiles in 2012/13 is very close indeed to where it was for the quintile immediately above seven years earlier. At that rate of progress, it would take 14 years for the bottom quintile to reach the level of the middle quintile today; or 28 years to reach the level of the top quintile.
- Average tariff scores also varied by ethnicity. Tariff scores were highest for Chinese students: 255 in 2012/13. The next highest average was 211 for Indian students. The lowest average tariff scores in 2012/13 were 184 for African, Black and Caribbean students, 191 for White Scottish students and 192 for White non-Scottish.

## The rate of school exclusions: by deprivation of local area

Indicator: 29

The school exclusion rate in schools in the most deprived fifth of areas is six times that of schools in the least deprived fifth.



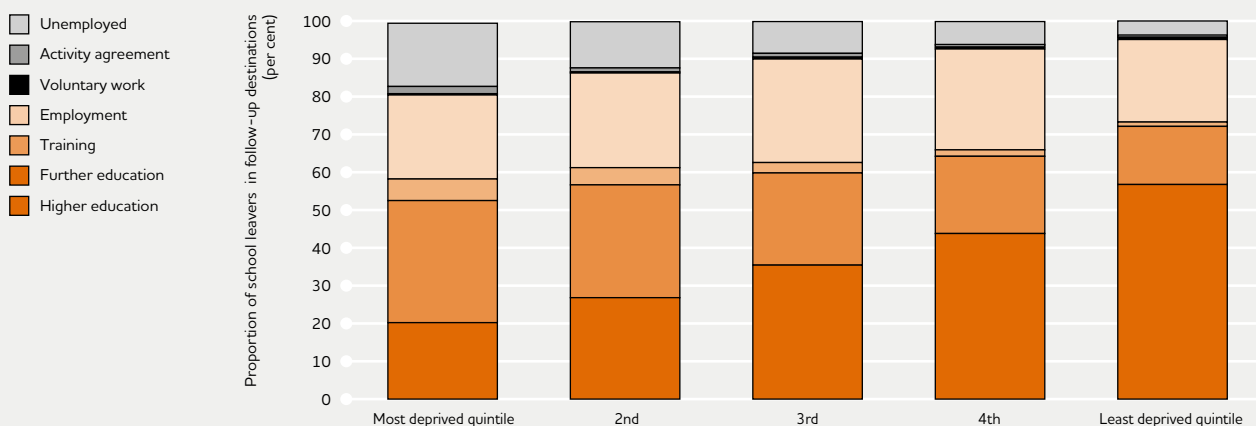
Source: Exclusions from schools, 2012/13, Scottish Government

- This indicator shows the number of school exclusions in 2012/13 per 1,000 pupils for each quintile of pupils ranked by the deprivation level of the local area. The data is for primary, secondary and special schools. Only temporary exclusions are shown because they are the vast majority and the only ones broken down by deprivation. An exclusion is temporary when a pupil is excluded from a school but remains on the register of that school because they are expected to return when the exclusion period has ended.
- Among pupils in the most deprived fifth, there were 65 exclusions per 1,000 pupils. This compares with 26 for those in the middle fifth and 10 in the top fifth. The total number of exclusions in 2012/13 was 21,934. 37 per cent of those who were temporarily excluded were excluded more than once in the year. The 21,934 temporary exclusions involved 12,253 different pupils. In addition, there were 21 permanent exclusions in that year.
- 78 per cent of all exclusions were from secondary schools and 18 per cent from primary schools. 78 per cent of children excluded were boys. The percentage for boys was higher in primary schools (92 per cent) than in secondary schools (75 per cent).
- The number of exclusions in 2012/13 was less than half the 44,794 in 2006/07. The drop in permanent exclusions was steeper still, down to just 21 in 2012/13, from 248 six years earlier. 83 per cent of temporary exclusions were for three days or less.
- Pupils either assessed and/or declared as having a disability experienced exclusion at double the rate of other pupils (63 per 1,000 compared with 31 per 1,000). 948 of those all excluded in 2012/13 were deemed disabled in this way.
- Pupils with additional support needs experienced exclusion at the rate of 87 per 1,000. Among such pupils in secondary school, the rate was 151 per 1,000.

## Destinations of secondary school leavers by deprivation level of local area

Indicator: 30

One fifth of school leavers from the most deprived areas go on to higher education compared with almost three-fifths from the least deprived.



Source: Summary statistics for attainment, leaver destinations and healthy living, No.4, 2014 edition – attainment and leaver destinations; the data is for 2012/13

- This indicator shows the percentage of school leavers in 2012/13 from publicly funded secondary schools by their follow-up destination and the deprivation level of their local area.
- Higher education covers Higher National Diploma or Higher National Certificate, degree courses, courses for the education and training of teachers and higher level courses for professional qualifications as well as programmes at a level higher than the standard of the National Qualifications. Further education includes leavers undertaking full-time education which is not higher education and who are no longer on a school roll. Training refers to training courses while in receipt of an allowance or grant and/or local authority or third sector-funded training programmes.
- For most destinations, there is a clear difference by deprivation level. 20 per cent in the most deprived went on to higher education compared with 35 per cent from the middle fifth and 57 per cent from the top. Looking at this in terms of the population of young adults entering higher education, 11 per cent came from the bottom fifth compared with 30 per cent from the top.
- All the other destinations with a clear difference by deprivation display the opposite pattern. 32 per cent of those in the bottom fifth went on to further education, compared with 24 per cent from the middle and 15 per cent at the top. The figures for those going on to training were 6 per cent, 3 per cent and 1 per cent respectively. 17 per cent of the bottom fifth became unemployed compared with 8 and 4 per cent for the middle and top.
- By contrast, the one category to show no difference was employment with 22 per cent of both the top and bottom fifths entering work and 26 per cent from the middle.





## Chapter 7

### **In-work poverty**

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## Choice of indicators

It has taken a long time for in-work poverty to receive official recognition. The Programme for Government brackets it as one of the ‘legacy effects of the downturn’ but that’s not strictly true. A poor income from work has always been a big part of poverty. As a share of the total, the 43 per cent of people in poverty in 2012/13 in working families is the same as the previous peak which was reached two years before the recession. It was in the years up to 2005/06 when the in-work poverty share was rising, from a low of 30 per cent in the mid-1990s.

In her speech marking the Programme’s launch, the First Minister described tackling in-work poverty as a key priority for the coming year. This has helped give the business community confidence to use the word poverty rather than a euphemism. Even so, individual businesses continue to be wary of being thought of as a ‘poverty employer’. The Programme itself only uses ‘in-work poverty’ once. Its two predecessors, in 2012 and 2013, didn’t use it at all although they did mention the Living Wage. An earlier edition of this report (2010) identified a lack of policies to allow people to escape in-work poverty as one of the gaps in *Achieving our Potential*. The First Minister’s emphasis is a step forward.

The answer to in-work poverty requires complementary actions by a range of institutions at every level of society. This cannot be commanded – public sector bodies are autonomous, ours is not a monolithic state – nor, since private businesses are key here too, can it be co-ordinated. How to induce a mixed society to move towards a socio-economic goal is the challenge that in-work poverty poses. The First Minister announced the creation of a Fair Work Convention, along with a Scottish Business Pledge, to develop a partnership approach with business, the unions, the third sector and local government. This is certainly an appropriate next step.

This report points to some of the different parts of the in-work poverty problem. Low hourly pay is one of them, but only one. It is dealt with in the next chapter. Indicator 31 raises an issue of principle: most families in in-work poverty are what we call ‘part-working’ – but most families who are ‘part-working’ are not in poverty. Urging or incentivising low-income working families to work more would reduce in-work poverty – but it would also mean expecting them to adopt a different work life balance from the norm. A commitment to allow employees greater flexibility over hours would help; an argument for it needs to be made.

Indicator 33 shows the need to look closely. Based on an apportionment of Working Tax Credit (WTC), it presents the distribution of low-income working families according to the economic sector in which the family’s adult or adults work. Whether WTC is a subsidy to employers is dubious – but some sectors are certainly more associated with it than others.

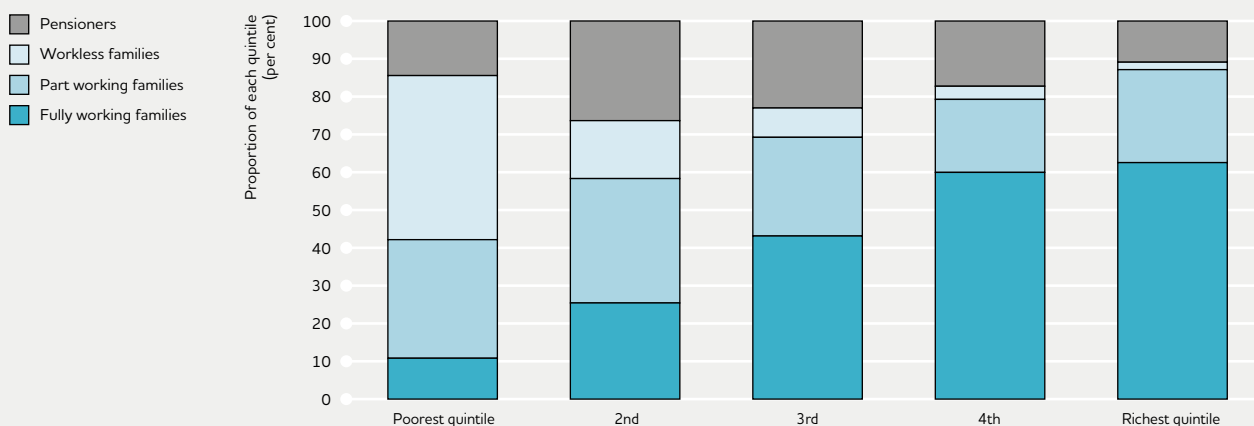
Indicator 34 looks at training within work and how far its benefits fall evenly across employees. Does in-work training lessen inequality at work or increase it?

Indicator 32 describes Scottish Business in the Community’s initiative to raise business awareness of poverty and how it can be tackled in the workplace. This is a reply to the First Minister providing insight into what businesses themselves value and believe they can do.

## Family work status across the income distribution

### Indicator: 31

The fifth of households in Scotland with the highest incomes tend to be ones where all working-age adults are in work.



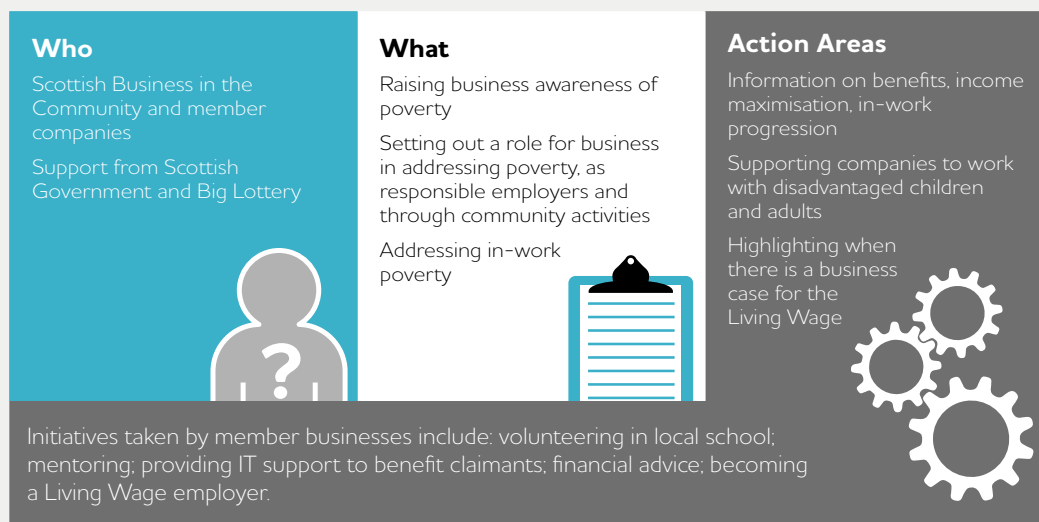
Source: Households Below Average Income, DWP; the data is a three-year average to 2012-13

- This indicator shows the population according to their family work status and position in the income distribution for the three years to 2012/13. A 'family' constitutes either one adult or two adults living together as a couple, along with any dependent children (those aged 16 or under and/or still in school full-time) who live with them. 'Fully-working' families are single adults working full-time or couples where one works full-time and the second at least part-time. All other working families are 'part-working'.
- 11 per cent of the poorest fifth are in fully-working families with a further 31 per cent in part-working ones. The comparable figures for the middle fifth are 43 and 26 per cent and for the richest fifth, 63 and 25 per cent.
- There are two points about the connection between poverty (roughly the poorest fifth) and family work status. First, looking across the income distribution, just 5 per cent of people in fully-working families are in the poorest fifth as opposed to 23 per cent of those in a part-working one. Second, most people in working families in the poorest fifth are in part-working ones (31 per cent out of 42 per cent).
- These points imply that a good way to reduce in-work poverty is to transform poor, part-working families into fully-working ones. But this would mean expecting low-income families to behave differently from better-off ones. The fact that 23 per cent of part-working families are in the poorest fifth shows that they are only slightly over-represented. If part-working is to be targeted, fairness requires that the aim should be to reduce it across the board not just at the bottom.

## Scottish Business in the Community: businesses addressing poverty

Indicator: 32

Business initiatives addressing poverty are mainly taking the form of local projects in the community.



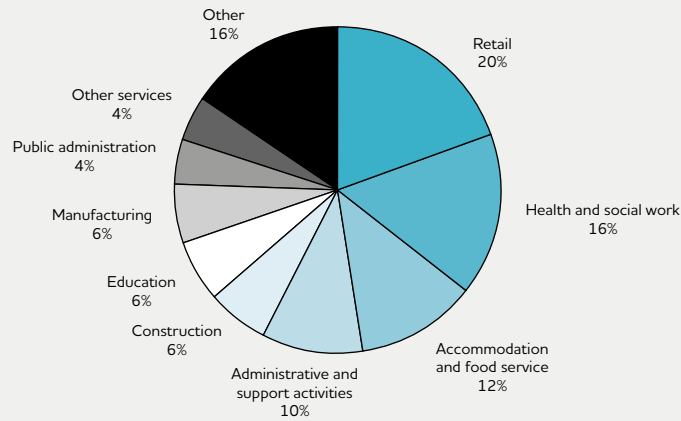
Sources: *Responsible Business Journey*; [www.sbcsco.com/wp-content/uploads/2014/09/SBC-Call-To-Action\\_Digital.pdf](http://www.sbcsco.com/wp-content/uploads/2014/09/SBC-Call-To-Action_Digital.pdf); conversations and semi-structured interviews with SBC staff

- This indicator shows the main elements of SBC's programme to raise business awareness of poverty along with examples of the initiatives that the businesses it engages with are taking. After 2010, government promoted the view that business too could act to mitigate the effects of welfare reform. SBC has sought to identify ways that businesses can address poverty, as responsible employers and through action involving local communities.
- One focus is supporting local schools in disadvantaged areas, for example employee volunteering to raise literacy and numeracy at primary school as well as mentoring schemes to offer older children a better sense of what work is like.
- Another is the provision of advice and support, from helping people to access online facilities for form filling, to working with specialist charities to prevent drug misuse.
- The business case turns on higher staff morale, retention and productivity. We have been told that many employees feel the company they work for should have a social purpose. Companies themselves have an interest in promoting their local area and making it a more attractive business environment for other firms.
- That 65 per cent of adults in in-work poverty are in a couple (indicator 8) shows that effective action against in-work poverty probably requires action by many employers and not just one. The willingness to act at the local level, where employees live, may be a basis for this more co-ordinated approach to in-work poverty: a commitment to the local community is one part of the Scottish Business Pledge. Service providers, in the public and private sectors, have a contribution to make too. The Fair Work Convention may be a means through which such co-operation can be given impetus.

## Employees benefiting from Working Tax Credit by industry sector

Indicator: 33

Almost half of employees benefiting from Working Tax Credit are employed in three sectors of the economy.



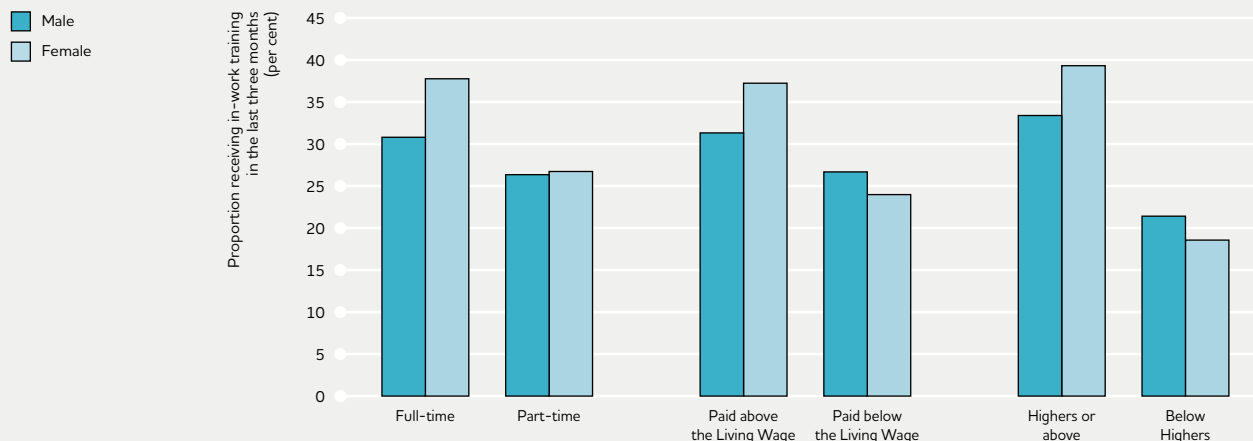
Source: Labour Force Survey, ONS; the data is a four-quarter average to Q3 2014

- This indicator shows an estimate of how Working Tax Credit (WTC) in 2013/14 for Scottish families is distributed across the sectors in which the family members are employed. WTC is paid to people with a low 'family' income from work. 'Family' here means either a single employee or an employee and their partner. WTC can be paid to families with or without dependent children. Since it is family income and hours which determine entitlement, this estimate is a proxy for the spread of in-work poverty. Where a family has two employees working in different sectors, this estimate allocates half of the family's WTC to each sector.
- 48 per cent of the WTC paid in Scotland benefits employees working in three sectors: retail (20 per cent of WTC), human health and social work (16 per cent) and accommodation and food service (12 per cent). Between them, these three sectors account for 33 per cent of all employment.
- Measured by the proportion of employees within the sector benefitting from WTC, retail is the fifth highest (14 per cent), human health and social work sixth (10 per cent) and accommodation and food services second (18 per cent). The sector with the highest proportion of employees benefitting from WTC is admin and support (21 per cent).
- WTC is paid by HMRC directly to families, not individual employees. Two workers on the same pay and hours working for the same employer can therefore benefit from quite different amounts of WTC. Employers do not know which of their employees is getting WTC, or how much.

## The likelihood of receiving training at work by pay, qualification, and part- or full-time

### Indicator: 34

More highly qualified employees are nearly twice as likely to receive in-work training as less highly qualified ones.



Source: Labour Force Survey, ONS; the data is a four-quarter average to Q3 2014

- This indicator shows the proportion of employees who had received in-work training in a recent three-month period. The results are shown separately for men and women and on three different bases: whether the job is full- or part-time; whether the employee is low paid; whether the employee is qualified to at least Higher level.
- Between 37 and 39 per cent of female employees who are either full-time, not low paid or better qualified received in-work training in a recent three-month period. The comparable figures for male employees were 31 to 34 per cent. In each case, the gap between men and women was about six percentage points. By contrast, there was little difference between the proportions for men and women among those who are employed part-time, low paid or less well qualified.
- More than gender, the bigger differences are shown by the other variables (whether full-time or part-time, low pay and qualification level). The gap between full- and part-time is 7 percentage points (34 and 27 per cent). The gap between those not low paid and those who are is 9 percentage points (34 and 25 per cent). The gap between the more and less qualified is 16 percentage points (37 and 20 per cent).
- Qualifications are not the same as skills but it is of considerable note that people with higher qualifications are almost twice as likely to receive in-work training as those with only lower qualifications.
- With research from the Resolution Foundation indicating that in the UK only 27 per cent of the low paid in 2002 had escaped low pay by 2012 (Resolution Foundation, 2013), it appears that in-work training as part of workforce progression does not function very well.

## Chapter 8

### Low pay

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## Choice of indicators

Since low pay is obviously a factor behind in-work poverty, this chapter begins as an extension of the last one. After identifying in-work poverty as a priority in the coming year, the First Minister went on to speak about what the government was doing to promote the Living Wage. One of these things was to support the Living Wage accreditation campaign run by the Poverty Alliance: indicator 38 describes this in more detail.

At the same time, there is more to low pay than the Living Wage; to try to present everything that might be said about low pay under the heading of in-work poverty would be unhelpful. The other three indicators in this chapter raise aspects of low pay that are not given their due consideration and which are, at times, misunderstood.

The first is to do with disability. The low income chapter has an indicator which shows how families with a disabled adult are almost twice as likely as average to have an income below the poverty line – and twice as likely too to have a very low income: ‘doubly disadvantaged’. Indicator 37 looks at the likelihood of a disabled employee being low paid. Since those with lower qualifications are more likely to be low paid than those with higher ones, the comparison between disabled and other employees has to be made for a range of different levels of qualification.

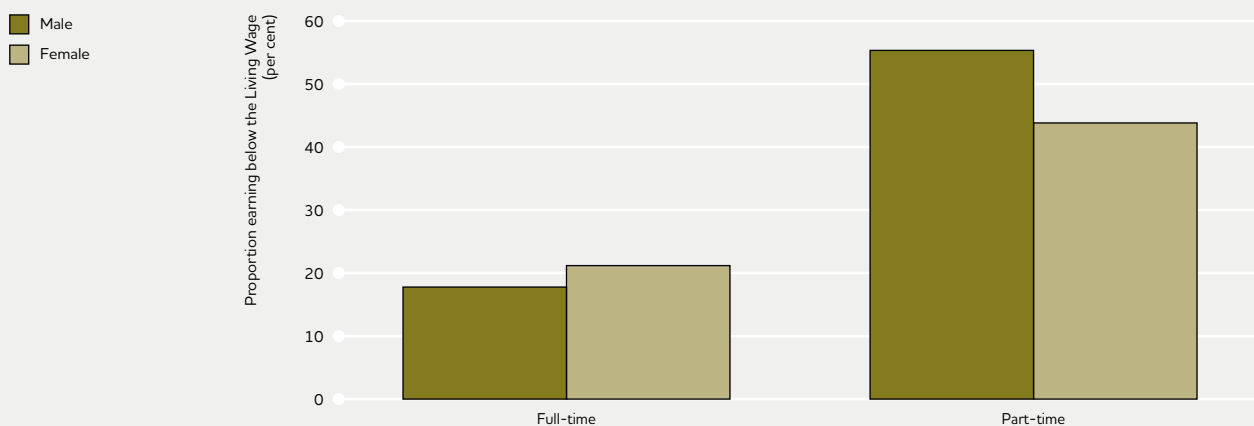
The second of the three indicators looks at the links between low pay and gender through the mediating factor of whether the job being done is part-time or full-time. 24 per cent of female employees were low paid in 2014 compared with 15 per cent of men but these overall averages conflate a range of effects. Indicator 35 therefore shows the low pay risks for men and women separately for part-time and full-time. Most part-time jobs are done by women so there is a strong overlap with gender. But whether that is enough to explain part-time work’s diminished status cannot just be assumed. Although the number working part-time only because they cannot find a full-time job is still higher than it was before the recession, most people working part-time want to.

The last indicator looks at how the link between low pay and qualifications has changed over a ten-year period. It certainly remains the case that all else being equal, the higher an employee’s qualifications the lower is the likelihood that they will be low paid. But over the last ten years, the average level of qualifications has improved as the cohort who have retired have been replaced by a far better qualified young adult cohort. Indicator 36 shows what this has done to the group of employees who are low paid. Any individual will still improve their chances by gaining further qualifications. But that does not mean that low pay will be ended, or even reduced, by the workforce becoming better qualified.

## The risk of being low paid by gender and whether the job is full-time or part-time

Indicator: 35

The risk of being low paid varies greatly by whether the job is full- or part-time.



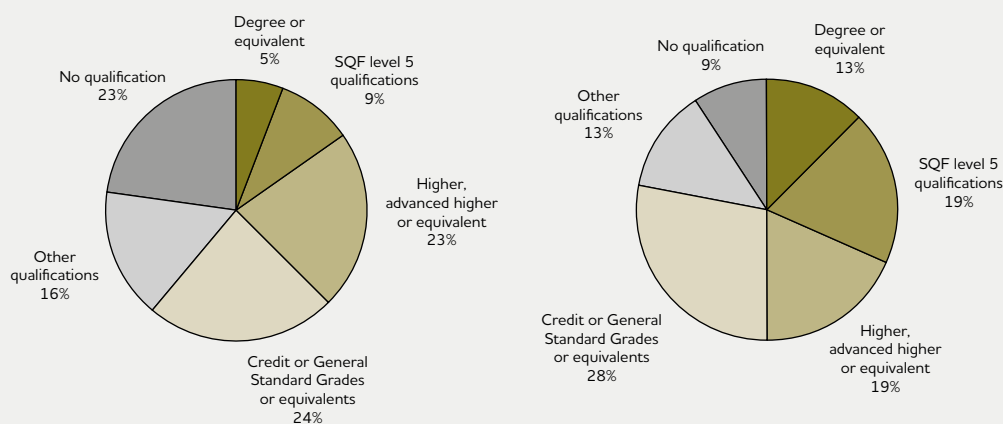
Source: Labour Force Survey, ONS; the data is a four-quarter average to Q3 2014

- This indicator shows the proportion of employees who were low paid (an hourly rate below the Living Wage) during the period 2013/14 separately for men and women and whether the job they were in was full-time or part-time.
- In total, some 600,000 employees in Scotland were low paid during this period, 250,000 men and 350,000 women. These numbers represent 23 per cent of male employees, 31 per cent of female employees and 27 per cent of employees overall. The percentage for women exceeds that for men by about eight percentage points, equivalent to a third higher.
- During this period, 21 per cent of full-time female employees and 18 per cent of full-time male employees were low paid. 44 per cent of part-time female employees and 56 per cent of part-time male employees were low paid.
- The message from the indicator is that most of this gap can be put down to a combination of the far higher prevalence of low pay among part-time workers (men no less than women) coupled with the very high number of women who work part-time. Almost three quarters of those occupying part-time jobs are women. Three-fifths of female employees work part-time.
- The connections between the extent of low pay in part-time jobs and the fact that most of those jobs are taken by women are complex. Even so, attempts to raise the status of part-time jobs directly by reducing the part-time pay gap would complement attempts to reduce the gender pay gap directly.

## Those who are low paid, over time: by highest level of qualification

Indicator: 36

Among employees 25 to 54 who are low paid, someone is more likely now to be highly qualified than qualified only to a low level or not at all.



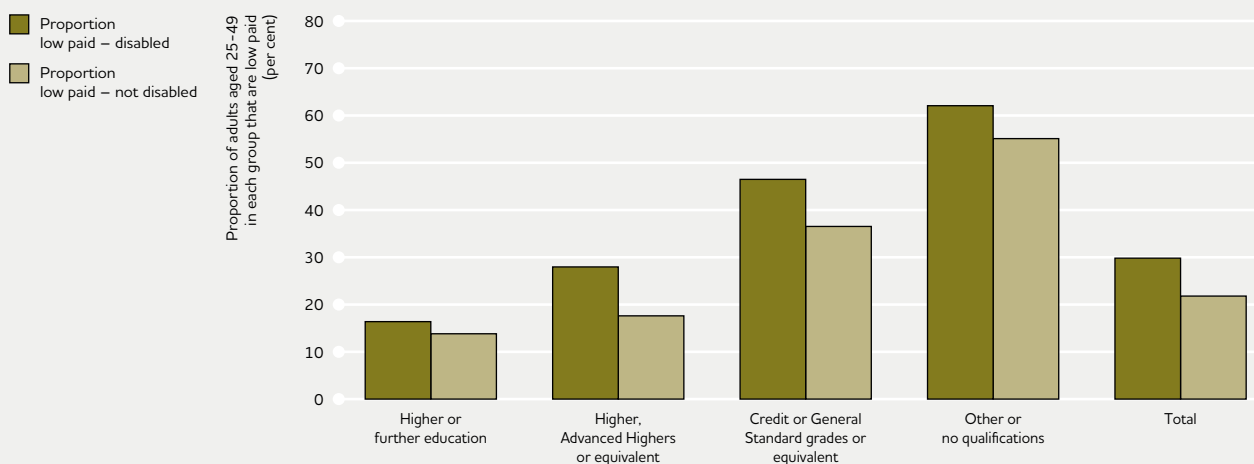
Source: Labour Force Survey, ONS; the data is two four-quarter averages for 2003 and 2013

- This indicator shows the 330,000 employees aged 25 to 54 who were low paid in 2013 by their highest level of qualification. It shows the same breakdown for the 360,000 low paid employees of the same age group in 2003. Low pay is measured in 2013 by an hourly pay rate below the Living Wage and in 2003 by one below £6. This 2003 low pay threshold is calculated by taking the most recent Living Wage figure and decreasing it in line with the changes in median hourly earnings over this time period.
- In 2003, 5 per cent of all those who were low paid had a university degree or equivalent while a further 9 per cent were qualified to SQF level 5. By contrast 23 per cent had no qualification while a further 16 per cent had no qualification at Credit or General Standard Grade level or equivalent (other qualifications). The group with low (other) or no qualifications outnumbered the former with high qualifications (degree level or equivalent or SQF level 5 qualifications) almost three to one.
- Within the space of ten years, the relative size of these two groups has completely changed. Now, 13 per cent of those who are low paid have a degree, 19 per cent are qualified to SQF level 5, 13 per cent have only low qualifications and just 9 per cent have none at all. By 2013, a low paid person picked at random was one and a half times more likely to be highly qualified than to have no or only a low qualification.
- Two developments lie behind this. One is the rapid rise in the proportion of this age group who are highly qualified, up from 38 per cent in 2003 to 53 per cent in 2013. The proportion with low or no qualifications fell from 19 to 10 per cent.
- The other is that the risk of a highly qualified employee being low paid has risen, for example from 5.5 per cent to 8.5 per cent for those with a degree. It is still the case that the higher the qualification the lower the risk: any teenager is still well advised to remain in education as long as they can. But as an explanation for the extent of low pay itself, poor qualifications contribute ever less.

## The risk of being low paid by qualification level and whether the employee is disabled

### Indicator: 37

A disabled person in work is more likely to be low paid than a non-disabled one. The difference in 'risk' is more or less equivalent to an extra level of qualification.






Source: Labour Force Survey; the data is a four-quarter average to Q1 2014

- This indicator shows the proportion of disabled employees aged 25 to 49 who were low paid in a 12-month period during 2013 and 2014, broken down by their highest level of qualification. Also shown is the proportion of employees who are not disabled. Low pay is measured by an hourly pay rate below the Living Wage.
- Overall, 30 per cent of disabled employees in this age group were low paid compared with 22 per cent of other employees. When broken down by qualification level, the risk of low pay rises for both disabled and non-disabled employees as the qualification level falls. Among employees with a higher or further education qualification, 16 per cent of those who are disabled were low paid compared with 14 per cent for others. Among those with other or no qualifications, the corresponding proportions were 62 and 55 per cent.
- A rough way of summing up the picture presented is that compared with a non-disabled employee, a disabled employee needs at least one extra level of qualification in order to face the same likelihood of being low paid.

## Scottish Living Wage Accreditation: an initiative hosted by the Poverty Alliance

Indicator: 38

The Living Wage has a financial cost but a business case can still be made for it.

Who	What	Findings
<p>Hosted by the Poverty Alliance</p> <p>Supported financially and non-financially by the government</p> <p>Working with the Living Wage Foundation</p> 	<p>An initiative to increase the number of employers in Scotland paying the Living Wage</p> <p>Target of 150 organisations signed up by end 2015</p> 	<p>Case study research confirms an adverse financial impact of the living wage</p> <p>Benefits may include lower staff turnover and absenteeism, higher productivity, enhanced reputation</p> <p>The Living Wage can be thought of as investment</p> 

Example: SSE plc's business case for the Living Wage rests on it: being consistent with company values; improving employee retention and engagement; enhancing reputation; helping the company stand out; being important to many customers.

Sources: Scottish Living Wage Accreditation Initiative: <http://scottishlivingwage.org/index.php>; Coulson, A. and Bonner J. (2015) *Living Wage Employers: Evidence of UK business cases* ([www.livingwage.org.uk/sites/default/files/BAR\\_LivingWageReport%20cropped%2021%2001.pdf](http://www.livingwage.org.uk/sites/default/files/BAR_LivingWageReport%20cropped%2021%2001.pdf)); conversations and semi-structured interviews with PA staff

- This indicator shows the initiative hosted by the Poverty Alliance to increase the number of businesses accredited as Living Wage employers. It features recently published research on the business case for the Living Wage. Accreditation requires that the Living Wage – £7.85 an hour from April 2014 – be paid to all directly employed staff, with a plan in place for subcontracted staff.
- In her speech accompanying the launch of the Programme for Government, the First Minister committed to promoting the Living Wage across the wider public sector (beyond just the government and the NHS) and the private sector. At the time some 75 businesses were accredited. By the end of February 2015, the number had reached 142.
- The Living Wage is seen as key to a 'good jobs' agenda by anti-poverty campaigners. As it does increase costs, those making a business case for it also stress the need for a review of business practice in order to ensure that the benefits of the 'investment' in the Living Wage are realised by the employer.
- The Living Wage is explicitly endorsed by the government which provides financial support to the accreditation initiative. It is also promoting private sector uptake by hosting a Living Wage accreditation summit with business leaders.
- The Living Wage cannot be legally mandated as a general condition for any public sector supplier. But it can be introduced on a case-specific basis. The government is committed to providing statutory guidance on how the Living Wage should be taken into account in public contracts.

## Chapter 9

### Housing and homelessness

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## Choice of indicators

Earlier in this report, the discussion of housing centred on the shift in poverty numbers between housing sectors, driven in part by the rise in the share of housing accounted for by the private rented sector. Although lower than in England, the private rented sector's share of the housing stock has been rising since 2000. Its level seems to be following England's with a lag of about five years. Since 2010, this rising private rented share has been accompanied by a falling owner-occupied share.

In 2013, the government published a strategy for the private rented sector and is consulting on a reform of the tenancy system with the aim of offering greater security for tenants and safeguards for landlords. Since 2006, landlords in Scotland have been required to register and in 2012 the law preventing 'premiums' being charged (on top of rent and the deposit) at the start of a new tenancy was clarified. There is no equivalent to this in England.

The 2013 strategy explicitly acknowledged that growing numbers of vulnerable people were living in the private rented sector, including 'low-income households who cannot access social housing and therefore privately rent but often encounter affordability issues'. Properly exercised, the measures taken so far should help this group access adequate housing and security of tenure.

But there is little to ensure that private sector rents are affordable for low-income families. Indicator 39 therefore looks at housing cost as a share of income in each of the three housing tenures, both over the last ten years and in comparison with England. Private rented sector growth carries adverse implications both for the overall level of poverty and spending on housing benefit.

The private rented sector is also in the spotlight in indicator 42 which presents information on households who report that their heating is insufficient to keep them warm, at least sometimes, during the winter. This is not the government's headline fuel poverty measure although that is discussed in the supporting commentary.

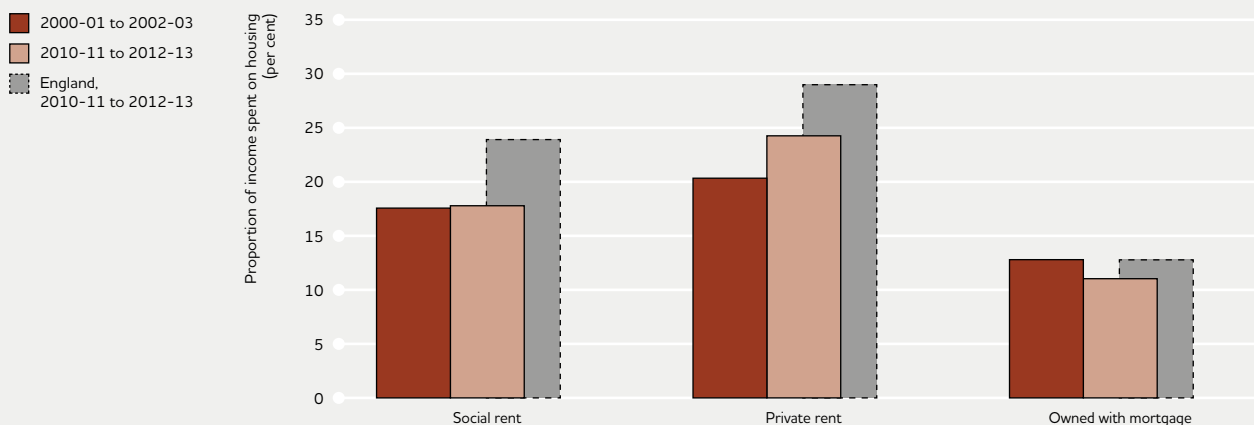
Indicator 41 is an illustration of ways in which a social landlord can provide services to support low-income tenants. This example only covers one housing provider, albeit a large one. It should be added that in a separate discussion, people with direct experience of poverty confirmed the practical value of at least two of the services offered (not necessarily provided by this landlord).

Indicator 40 compares homeless acceptances in Scotland and England since 1999. In 2012, the requirement that households should be 'in priority need' in order to be eligible for help under the local authorities homelessness duty was abolished in Scotland. As a result, all unintentionally homeless households, including those of working age but without dependent children, are now entitled to settled accommodation. Here too, Scotland's actions differed from England's. Yet the full effect of this Scottish policy depends on its interaction with others, including UK-wide welfare reforms. This is a good example of the complexity of policy-making under the current arrangements.

## Housing costs by tenure over time

Indicator: 39

Housing cost takes a lower share of income than in England across all tenures and it is only in the private rented sector that it has risen in Scotland over the last decade.



Source: Households Below Average Income, DWP

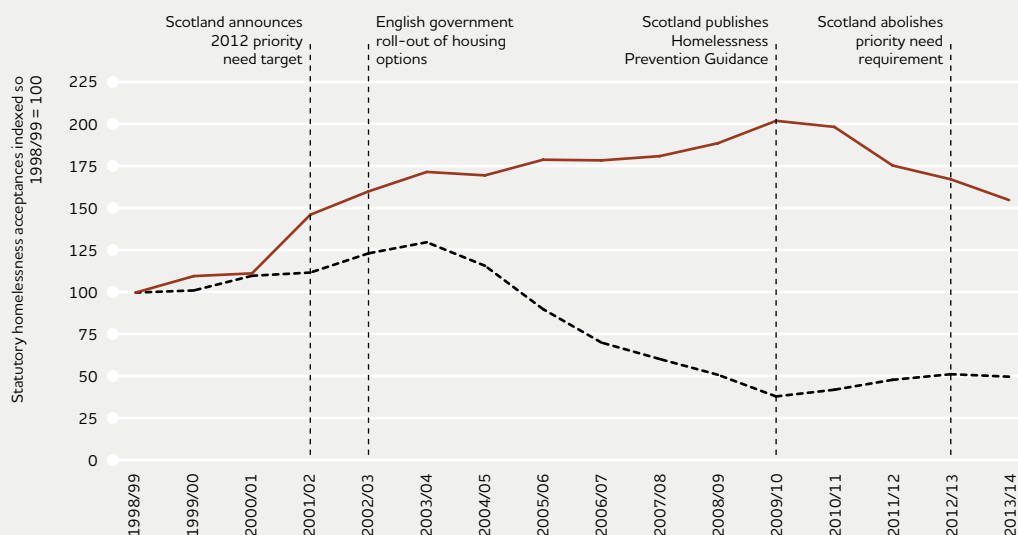
- This indicator shows housing cost as a proportion of income in each of the three main housing tenures (social rented, private rented and owned with mortgage) in two three-year periods, to 2012/13 and to 2002/03. Figures for England for the most recent three years are also shown. Housing cost is principally rent (before housing benefit) or mortgage interest. Housing benefit is treated as income.
- Over the ten-year period, rent as a share of income in the social rented sector (SRS) remained unchanged at 18 per cent. In the private rented sector (PRS) it rose from 20 to 24 per cent. Among owner-occupiers with a mortgage, it fell from 13 to 11 per cent.
- Housing costs are higher in England across all three tenures but the gap is greatest in the SRS (six percentage points higher) followed by the PRS (five). This six point gap partly reflects the different rent setting policies in Scotland and England.
- Social rents in Scotland are low compared with England. This also means that the typical private renter in Scotland spends almost double the amount on rent than the typical social renter. This ratio is bigger in than any English region except London.
- With a growing PRS, containing as the government itself has noted 'low-income households who cannot access social housing', this poses a threat. To the extent that housing benefit can take the strain, spending on it will rise. To the extent that it cannot, the poverty rate will rise. It is worth recalling that although Scotland has seen falls in its poverty rate compared with England, the PRS has been the exception.



## Homelessness acceptance over time: Scotland and England

Indicator: 40

Homelessness acceptances in Scotland have fallen every year since 2009/10.



Source: Operation of the Homeless Persons legislation in Scotland; 2013/14, Scottish Government; live tables on homelessness, DCLG

- This indicator shows the number of households accepted as homeless year by year in both Scotland and England, indexed to their values in 1998/99. It also shows when key changes in homelessness policies took place.
- By way of background, 28,500 households were accepted as homeless in Scotland in 2013/14. At 12 per 1,000 households, this is five times the rate in England. This higher rate is partly due to the removal in 2012 of the requirement that a household should be 'in priority need' to be eligible for help. As a result, all unintentionally homeless households are now entitled to settled accommodation. Single working-age adults without children are the main beneficiaries of this policy. They made up 60 per cent of homelessness acceptances in 2013/14.
- During the 2000s, homelessness acceptances rose as Scotland worked towards the 2012 change. But since 2009/10, it has been falling. This is despite the increased entitlement, a weak economy, welfare reforms – and the fact that it has been rising in England. Scottish government statisticians have attributed the fall to an expansion of its 'housing options service' which aims to prevent homelessness.<sup>5</sup>
- Two recent housing benefit changes in particular work against Scottish homelessness policy. One is the restriction on housing benefit for anyone aged under 35 without dependent children to an amount no greater than the cost of a room in a shared dwelling. The second is the under-occupancy penalty. These two changes affect homeless households who stood to benefit most from the ending of the priority need requirement. This means there are fewer properties where homeless single adults without children could live and have their rent fully covered by housing benefit making it harder for local authorities to find them settled accommodation.

## Social landlords' actions to combat poverty: old and new problems

Indicator: 41

Recent programmes by large social landlords offer further evidence of food poverty and of its overlap with the unaffordability of white goods.



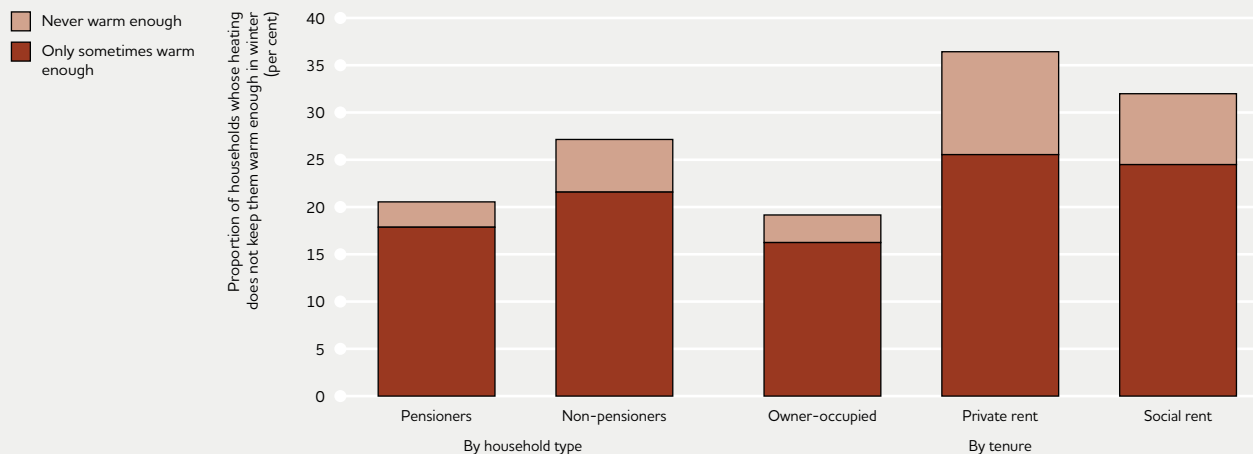
Source: conversations and semi-structured interviews with Wheatley staff

- This indicator highlights programmes addressing aspects of poverty and financial exclusion developed within the Wheatley Group to be put into effect by its four social landlords, Glasgow Housing Association, Cube Housing Association, West Lothian Housing Partnership and Loretto Housing Association. The first of them is the largest social landlord in Scotland.
- The housing associations have long offered a welfare advice service. Members of a focus group organised through the Poverty Truth Commission told us how valuable tenants already find such a service (although there is no reason to think that those particular remarks applied to any of these social landlords).
- Two new problems for which support is offered are food poverty (for which free food is offered for up to 12 weeks) and the difficulties faced by those on a low income in furnishing their home, especially in relation to white goods. The same PTC focus group pointed out how benefits left no money available to replace the fridge if it broke down. If food can neither be cooked nor kept cold, nutrition is limited and the cost of eating increases. Here, food poverty overlaps with the problem of furnishing homes on a budget.
- The Home Comforts programme which provides recycled furniture and white goods uses an employability model in which tenants can access paid work experience, training and job search opportunities.
- Working with One Parent Families Scotland to provide lone parents with financial advice and to combat loneliness is an example of the kind of targeted support provided by the social landlords within the Wheatley Group.

## Households that are cold in the winter by tenure and working-age or pensioner

Indicator: 42

More than 30 per cent of tenants say their heating sometimes or always fails to keep them warm in winter.



Source: Scottish House Condition Survey, 2013

- This indicator shows the percentage of households who reported in 2013 that their heating sometimes or never kept them warm enough in winter. The results are shown for pensioners and non-pensioners as well as for the owner-occupied, private rented (PRS) and social rented (SRS) sectors. This is a subjective measure.
- 18 per cent of pensioners and 22 per cent of non-pensioners reported that their heating sometimes failed to keep them warm in winter. A further 3 per cent of pensioners and 6 per cent of non-pensioners reported that their heating never did.
- 19 per cent of owner-occupiers reported that their heating either sometimes or never kept them warm. 32 per cent said this in the SRS and 37 per cent in the PRS. The PRS figure includes 11 per cent whose heating never keeps them warm enough.
- A household is officially in fuel poverty if it would have to spend more than 10 per cent of its income on fuel to keep the home warm. On this measure, 39 per cent of households were in fuel poverty in 2013, almost double the subjective measure. 49 per cent of pensioner households were in fuel poverty.
- This very different picture reflects difference in the measures. The fuel poverty measure assumes that pensioner households (containing anyone aged 60 or over) need to heat their homes to a higher temperature and for more hours a day. In practice, some won't need to. The subjective measure captures this better.
- Private renters were more likely to cite a problem with their home (such as poor insulation, draughts or inadequate heating), while social renters were more likely to put the problem down to cost. This highlights how the scale of housing issues differs by tenure: in the PRS fuel efficiency is a greater problem, whilst in the SRS it is fuel costs.

## Chapter 10

## Conclusion

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## Reflections

Since 2010, 'mitigating the effects of welfare reform' has become very prominent as an idea in Scotland. The use of discretionary housing payment to offset the under-occupancy penalty, the Council Tax Reduction scheme and the Scottish Welfare Fund answer welfare reform directly with Scottish welfare counter-reform. The initiatives described here taken within the NHS, by housing providers and by business answer it indirectly but no less certainly.

Unlike the welfare 'counter-reforms', the potential of the indirect responses is not simply defensive. For example, all the initiatives within the NHS imply that the social and economic circumstances of patients should be taken into account by health professionals. Welfare reform may be the catalyst for this, but the health indicators in this report which show the indisputable connection between life expectancy and deprivation serve as a reminder that the problem is far deeper. Similarly, if the concept of the responsible employer, expressed in part through action in the local community, really takes hold, its potential to change Scottish society won't be limited to the challenge that originally brought it into being. This is the case too with the Scottish government's handling of the Living Wage and the First Minister's declaration that in-work poverty will now be a key priority for government.

It is easy to be encouraged by all this, yet there is a danger: if talk remains nothing more than talk, early encouragement will curdle to cynicism and worse. How to inoculate against this? The research conducted for this report confirms what the best practitioners of social science know: the people who are affected, who have the direct experience of what is being talked about, must be full participants in the process. Such participation is no guarantee but it is essential. There are three reasons for this.

The first is that doing so creates a pressure for action which is absent if it is just a discussion, however well-informed, about other people's problems.

Second, people with direct experience speak precisely and concretely about things which others can only speak about in general and abstract terms. Take in-work poverty: by construction, it is a combination of low hourly pay and a part-working household. So we can see in principle what is needed. Obviously people would like to be paid more (so long as there are no strings), but do they really want to work longer? The statistics show other things linked to in-work poverty under a heading of disadvantage at work: the lowly status of part-time work (although often much desired) for example, or the way in-work training deepens inequalities in formal skill levels. We can also guess that low-income working families, especially with younger children, also have time constraints. So they need flexibility both at work and in essential services, e.g. a GP's appointment at a time they can fit in. All this can be inferred. But which is the most important? What, precisely and concretely, matters? What have we overlooked? Only people with direct experience can answer these questions. If the promised Living Wage summit and fair work convention are to succeed, this real intelligence is essential. People with experience of in-work poverty must be in the room, on the platform and part of the group which directs and decides.

The third reason is that politicians will, quite properly, only take notice if they see that what is being talked about matters to a group of citizens whose support they want.

The involvement of people with direct experience of the problem will not prevent it being a talking shop unless the organisations who make the decisions that affect their lives are involved too. It is clear from the research for this report that leading figures within both the health service and business both recognise and articulate a role for their sectors in addressing poverty. The same can be said of some housing providers and some local authorities. A potential for a fruitful dialogue leading to action therefore exists. However, a few leading figures or organisations within these sectors are far from a consensus or a norm. And only very recently has there been any real recognition of the contribution that every school can make to addressing poverty.

## Challenges

Against this background, we identify the following as the seven immediate challenges for addressing poverty and exclusion in Scotland. The first three are already Scottish priorities where turning intention into action on a big enough scale is obviously the first requirement.

1. In-work poverty and fair work. The Living Wage is only one part of the answer and the challenge is to identify others including, for example, opportunities for in-work training for the lowest paid and the least qualified. The NHS plan which also considers poverty among its own staff points the way. Individual employers cannot provide the whole answer.
2. Local poverty/fairness commissions. Beyond identifying priorities for action, the challenge is to create bodies that contain people who can take action.
3. The NHS outcome-focused plan. Putting this extensive, detailed plan into effect is a sufficient challenge in its own right.

The next three challenges arise directly from our statistics.

4. The changing face of poverty. Those affected by poverty are now more likely to be younger adults, renting from a private landlord and working. The challenge is to meet their needs, especially around housing, and to find a language for doing so.
5. Educational inequalities. The challenge is to bring education further into the debate on poverty, including the recognition that it is about more than just academic qualifications.
6. The social disadvantage of disability. The challenge is to address this disadvantage, one face of which is shown by a statistic on disadvantage in work. It is underscored by the much higher incidence of poverty among disabled people and their families.

The final challenge reflects what we have been told repeatedly is the worst thing about welfare reform.

7. Sanctions. For as long as the system is administered as it now is, as a regime of fear, discipline and punishment and on the scale shown by our statistics, the challenge is to provide the utmost practical support to every claimant of both Jobseeker's Allowance and Employment And Support Allowance.

## Notes

1. The under-occupancy penalty is widely referred to as the bedroom tax. It is a reduction in Housing Benefit for social sector tenants who have rooms that are considered 'spare'. JRF prefers to use the politically neutral term 'under-occupancy penalty', rather than other terms that can be aligned to particular parties.
2. The BSA is conducted by NatCen, an independent social research agency. It asks 3,000 people living in Britain how they feel about living in Britain and how Britain is run.
3. Inquiry into Benefit Sanctions Policy beyond the Oakley Review: Evidence submitted by David Webster, 2014.
4. In general, the indicators in this chapter look at male health inequalities as these have been larger across the income distribution and across local areas than female health inequalities.
5. Operation of the Homeless Persons legislation in Scotland: 2013/14.

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***Monitoring poverty and social exclusion in Scotland* is a regular, independent assessment of progress in tackling poverty and other types of disadvantage in Scotland.**

The report uses official data from a range of sources to look at trends and patterns across different indicators, and accompanies this with evidence from sub-national anti-poverty actions and initiatives. The key themes of this report are low income, social security and unemployment, health, education, in-work poverty, low pay, housing and anti-poverty priorities and actions.

This report is the seventh in the series, which dates back to 2002. It is a valuable resource for researchers and policy-makers alike. By looking at recent trends, it aims to better illuminate the challenges of tackling poverty in Scotland in the coming years.



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